

USAID | SUPPORT FOR LEBANON'S ACCESSION TO THE WORLD TRADE ORGANIZATION

Annual Project Report, Year 1 December 1, 2009 – September 30, 2010



December 2010

This document was produced for review by the United States Agency for International Development. It was prepared by Booz Allen Hamilton Inc.

TABLE OF CONTENTS

SECTION I.	EXECUTIVE SUMMARY	1
SECTION II.	PROGRAM OVERVIEW	3
A. Program	Description	3
	olitical Context	
C. History of	f US Technical Assistance to Lebanon's WTO Accession Process	4
•	s WTO Accession Timeline	
SECTION III.	PROGRAM ACTIVITIES	7
A. Program	Administration	7
A1. Mem	orandum of Understanding	7
A2. Work	Plan and PMP	7
A3. Planr	ning for USG FY11	7
A4. Proje	ct Team	7
A5. Deplo	byment of Short Term Technical Assistance	8
A6. USAII	D Mission-Level Activities	8
A7. Othe	r Briefing Materials Developed	8
B. Task 1: Te	echnical Support for WTO Accession	9
B1. Activ	ity 1: Support Legislative Reform	9
B2. Activ	ity 2: Support of GOL in Working Party Meetings	12
B3. Activ	ity 3: Assistance to respond to questions from the Working Party Meeting	15
B4. Activ	ity 4: Providing Necessary Advice to GOL to conclude bilateral negotiations	16
C. Task 2 Ac	tivities – Assist the GOL in Implementing Remaining Key Reform	17
C1. Activ	ity 5: Baseline of Specific Areas for Reform	18
C2. Activ	ity 6: Strengthening the WTO Unit for Accession and Implementation	18
C3. Activ	ity 7: Revive the National Committee	18
C4. Activ	ity 8: Develop a Cadre of Parliamentarian Champions for Reform	19
	ity 9: Implementation of Reforms to take Advantage of WTO Accession: mlining of Import/Export Procedures	20
C6. Activ	ity 10: Negotiation Seminar	20
D. Task 3 Ac	tivities – Provide Support for Capacity Building	20
D1. Activ	ity 11: Establishing the Enquiry Point	21
D2. Activ	ity 12: Building the Capacity of the Trade Remedies Unit (TRU)	24
D3. Activ	ity 13: Building Capacity on IPR with GOL Stakeholders	24
E. Task 4 Ac	tivities – Building Public Support for WTO Accession	29
E1. Activ	ity 14: Enhancement to MOET's Website	29
E2. Activ	ity 15: Improving Stakeholder Engagement	29
SECTION IV.	DASHBOARD	32
SECTION V.	ANNEXES (ON ATTACHED CD)	33

Executive Summary

The "Support for Lebanon's Accession to the World Trade Organization Project" (Lebanon WTO) is a three year USAID-financed activity awarded to Booz Allen Hamilton under the Global Business, Trade and Investment II (GBTI II) Indefinite Quantity Contract as Task Order Number EEM-I-00-07-00007-04. This Task Order was awarded in December 2009. The purpose of this Project is to assist the Government of Lebanon (GOL) in the WTO Accession process and to support USAID Lebanon's Assistance Objective 2 (AO2) – Economic Growth. The Project has four core task activities:

- 1. Task 1: Technical support for WTO Accession
- 2. Task 2: Assist in the implementation of key reforms
- 3. Task 3: Institutional capacity building
- 4. Task 4: Building public support for WTO Accession

This report summarizes project activities undertaken during the US Government's Fiscal Year 2010 (FY10), which equates to Year 1 project activities from December 1, 2009 through September 30, 2010.

Progress against key components of the project plan – particularly Tasks 1 and 2 – were hampered by a lack of Parliamentary action on key pieces of legislative reform as well as limited engagement on WTO-related issues on the part of GOL counterparts, particularly the Ministry of Economy and Trade (MOET), the Project's primary partner. In the absence of further demonstrable progress by Lebanon on core issues highlighted in previous Working Party meetings or identified in bilateral negotiations, Lebanon's ability to make progress on WTO Accession will remain limited. For example, despite repeated effort during the course of Year 1, the Project has not met with success in encouraging the MOET to reinstitute the National Committee for WTO Accession (the National Committee) – a structure which could significantly improve efforts to coordinate procedural changes and reform associated with the WTO Accession effort across multiple Ministry partners.

As the Project's ability to provide technical assistance in two of the task areas was constrained by the absence of GOL action -a risk acknowledged by both USAID and the Project team at Task Order award-, efforts during the course of Year 1 focused on Tasks 3 and 4 and on identifying those discreet areas of the legislative and procedural agenda where targeted technical assistance could positively contribute to the WTO Accession effort (such as International Property Rights and Technical Barriers to Trade, for example) and for which there were interested and engaged GOL partners to receive and benefit from programming activities developed. Project accomplishments during Year 1 include:

- Targeted outreach and engagement of key WTO Accession stakeholders, including Members of Parliament, the Chambers of Commerce, and Industry Partners in those sectors which are most attuned to the WTO Accession process and interested in the potential impacts upon their sector.
- Legislative momentum on two key pieces of legislation (the Draft International Trade and Licensing Law and the Draft Law on Technical Barriers to Trade). While this progress is modest by most standards, Lebanon has been in a state of Parliamentary deadlock since 2006 and the ability for these two articles to move forward is a significant achievement.
- Targeted technical assistance in the areas of Intellectual Property Rights and developing the capacity of the Lebanese Standards Institutes (LIBNOR).
- Continuous collaboration with USTR through the auspices of USAID to ensure that the Project is providing
 the GOL with the clearest understanding of US Government priorities and concerns with respect to the
 WTO Accession process.

Supplemental Materials, Annex 1 of this report provides a summary of the Project's progress against the updated Performance Management Plan submitted to USAID in August 2010. Green indicates that the milestone was met, yellow indicates that the milestone was initiated and/or some progress was made toward completion of the

milestone, and red indicates that the milestone has not been met. This report contains detailed reporting on Project activities during Year 1 by Task, Activity and Milestone and further clarification with respect to each.

As the Project looks ahead to Year 2, it will work closely with USAID to review achievements of Year 1 and where to best focus Project resources to achieve demonstrable results. The Project has actively sought opportunities for engagement with the private sector to support a business environment which is open for both growth and competition. These efforts are in many ways the building blocks of WTO Accession. Information-sharing and outreach activities, and capacity building assistance that contribute to competitiveness and growth in the Lebanese business environment are each areas for technical engagement that contribute to the broader WTO Accession agenda. Specific areas to be considered include:

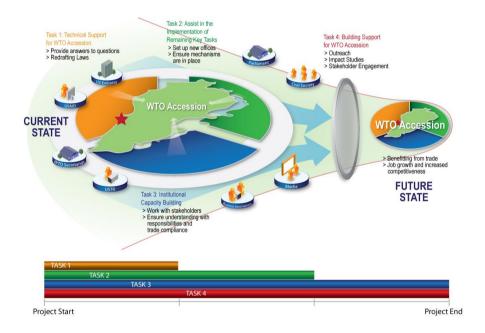
- 1. Increased emphasis on institutional capacity building and reform beyond the MOET to aspects of the business environment which contribute to Lebanon's competitiveness and market access. This might include a detailed economic analysis of Accession impact on key sectors of the economy.
- 2. Continued engagement of a broad array of stakeholders, to include the Chambers of Commerce, industry and professional associations, to improve understanding of the WTO Accession process and how legislative and regulatory reforms related to the process might directly impact their lives and livelihood.
- 3. Further expanded integration with other donor activities in Lebanon to cross-leverage resources and avoid duplication of effort; working through USAID to understand the priorities and concerns of other US Government entities as they relate to Lebanon's WTO Accession process and business environment.
- 4. Identify quick wins where targeted technical assistance can result in demonstrable benefits/improvements for the private sector; this might include such activities as reviewing the import/export life-cycle to identify areas for process improvement and time savings.
- 5. Continued advocacy with the MOET for the re-invigoration of the National Committee, which should be the driving force behind the accession process. The establishment of sub-committees or working groups within the National Committee that include representatives of the private sector would improve information-sharing and enable respective industries/sectors to better understand the post—accession environment. This structure will constitute a framework to maintain GOL momentum against already achieved steps and a forum for dialogue in the absence of more formal GOL action.

Program Overview

A. Program Description

The objective of the Project is to create a better trade and business environment that assists in the stimulation of economic growth and job creation by fostering trade, enhancing competitiveness, and expanding private sector investment. The Project's approach is collaborative, flexible, and highly responsive allowing it to respond effectively to the evolving needs of the MOET and simultaneously provide directed assistance to ensure continued progress toward WTO accession by working with a broad range of stakeholders. The Project's core Task Areas and objectives are summarized in Figure 1, below.

Figure 1: Overview of Lebanon WTO Accession Project, as proposed



The Project's task areas are inherently interconnected: implementation of reforms (Task 2) must begin even while the accession process (Task 1) is ongoing; reform and accession cannot occur in the absence of capacity (Task 3) among Lebanese stakeholders; and, without the support and engagement of civil society and the private sector (Task 4), the feasibility of success in all other Tasks is inherently limited.

The Project is designed to support USAID Lebanon's Assistance Objective 2 (AO2)—Economic Growth which is measured through three intermediate results (IRs):

- IR 2.2: Laws, Regulations, Procedures Relevant to Economic Growth Adopted
- IR 2.2.1: Advocacy of Private Sector, Civil Society and Local Government Increased
- IR 2.2.2: Improved Government Capability to Perform Implement Policy Analysis

The Project contributes to these three IRs. It is different in nature from many other USAID Projects insofar as it provides assistance/advice to the GOL on policy/legal reform issues. The Project has no control over the final decision of the GOL on specific reforms after assistance is provided.

B. Current Political Context

Political turmoil and Parliamentary deadlock is too often the status quo in Lebanon, resulting in macro-level impediments to passage of some of the key pieces of legislation required for the WTO Accession process to move forward. Progress on political reform is often hampered by the dynamics of Lebanon's confessional politics and

the regular risk of violence and civil unrest. Since 2005 in particular, and the assassination of former Lebanese Prime Minister Rafik Hariri, there has been ongoing discord among Lebanon's many confessional alignments which has complicated the ability to form, and run, an effective Lebanese Government. The 2006 Israeli invasion of southern Lebanon and varying levels of tension with Syria have also made a focus on a legislative reform agenda difficult to maintain. Presently, speculation as to the findings of a UN International Independent Investigation Commission into the Hariri Assassination — as well as the possible reaction of different Lebanese political factions to those findings — occupy much of Lebanon's attention and complicate efforts to garner the attention of Ministers and Parliamentarians on the steps and review necessary for enactment of the legislative reform required for WTO Accession.

That said, areas for technical reform and capacity building do exist. The Project has worked diligently over the past year to highlight specific areas where MOET could look to broaden participation of other Ministry counterparts to evaluate areas for legal reform and to institute capacity building across sectors. The Project has strongly recommended the reinvigoration of the National Committee, highlighted Intellectual Property Rights (IPR) mainly on copyrights and data protection, and helped build the capacity of LIBNOR. In all cases, the Project has emphasized specific areas where focused engagement could result in interim progress, toward the objective of successful WTO Accession.

The Project has actively sought opportunities for engagement with the private sector to support a business environment which is open for both growth and competition. These efforts are in many ways the building blocks of WTO Accession. Legislative or procedural reforms, information-sharing and outreach activities, and capacity building assistance that contribute to competitiveness and growth in the Lebanese business environment are each areas for technical engagement that contribute to the broader WTO Accession agenda.

Since its inception, the Project has worked to intensify its coordination with the Lebanese private sector in order to better understand their concerns and possible roadblocks to competitiveness and growth. Of particular value has been the Project's evolving collaboration with the Lebanese American Chamber of Commerce (AmCham) as well as other Chambers of Commerce organizations. This collaboration has provided an important window into the perspectives and concerns of the private sector and additional insights around the business environment and WTO Accession process. The Project team has been able to share this information and further context with both USAID and GOL counterparts. The Project has also expanded its relationships with other donor funded activities, including those funded by USAID, to search for complementarities and/or where the Project's work can support or inform their efforts.

C. History of US Technical Assistance to Lebanon's WTO Accession Process

USAID began providing assistance to Lebanon's WTO Accession in May 2000. The initial project was implemented by Price Water House Coopers and the Services Group. Since June 2003, Booz Allen Hamilton has served as the implementing partner to a series of iterative US Government-funded projects. A second USAID-funded project related to Lebanon's WTO Accession efforts was initiated in June 2003 and ran through October 2007. From November 2007 through December 2008, USAID worked in partnership with the Department of State's Middle East Partnership Initiative (MEPI) to continue donor-funded technical assistance. In February 2009, MEPI programmed Department of State funding for continued technical assistance through September 2009. In December 2009, USAID launched the current project and Booz Allen was successfully awarded the task order to serve as the implementing partner. The current Project's period of performance runs through November 2012.

The Project consists of a team of full-time local lawyers and support staff and more than a dozen international short-term technical experts covering the breadth of issues related to WTO Accession. The Project's staff works with the Lebanese Minister of Economy and Trade who leads the WTO National Committee, which consists of Director Generals of most ministries and heads of most state agencies. The National Committee was established in May 1999 to prepare and implement negotiation steps to secure Lebanon's accession to the WTO; however, it has been inactive since 2008.

D. Lebanon's WTO Accession Timeline

In February 1999, Lebanon submitted its request for accession to the WTO Secretariat in Geneva, Switzerland. In April 1999, the WTO General Council examined Lebanon's request, established a Working Party for Lebanon, and granted Lebanon observer status. In May 2000, USAID assistance was initiated and in September 2000, the Master Plan for the Accession Process was approved by the Council of Ministers. In May 2001, Lebanon submitted the first major document to the WTO Secretariat: the Memorandum of Foreign Trade Regime (MFTR). The MFTR summarized all of Lebanon's trade and trade-related policies. Both the Master Plan and the MFTR were prepared with the assistance of USAID-funded technical experts. To date, seven Working Party Meetings for Lebanon have been held in Geneva. In each session, the Working Party has examined Lebanon's replies to the questions posed by WTO member countries based on the information provided in the MFTR. Working Party Meetings took place on October 14, 2002; December 4, 2003; July 8, 2004; March 2, 2006; May 3, 2007; February 24, 2009; and October 28, 2009. Lebanon submitted its answers to the questions raised following the last Working Party Meeting in May 2010.

Over the course of the accession process, Lebanon has submitted WTO required documentation such as answers to the questions of Members on the MFTR, the checklist of Illustrative Sanitary and Phytosanitary (SPS) and on Technical Barriers to Trade (TBT) Issues (ACC/8), the checklist of detailed information on Agricultural policies (ACC4), and the checklist of Trade Related Aspects of Intellectual Property Rights Checklist (ACC9).

Initial offers on Goods and Services were submitted to the WTO Secretariat on November 5, 2003. Revised offers based on specific WTO member countries' requests were submitted in June 2004. Market access negotiations have been virtually deadlocked since the last discussions, which were held on the margins of the fifth Working Party Meeting in May 2007. Since then, Lebanon has not engaged in any serious bilateral market access negotiations. The revised offers sent by Lebanon in 2004 were not well received by WTO member countries who requested further reductions in tariffs and further market access in services. In bilateral negotiations in goods, Lebanon has offered to bind its tariffs at a higher rate than the applicable rate, which has been rejected by WTO member countries. According to the Minister of Economy and Trade, the national treasury cannot withstand any further lowering in tariff rates. In addition, he described both the agriculture and the industrial sectors as having been negatively affected by the war of July 2006 and indicated that any negotiations with stakeholders to lower tariff rates would be politically difficult for GOL members at the present time. GOL officials view Lebanon as already having low tariffs resulting from the unilateral reduction of tariffs undertaken in 2000 as part of an effort to attract Foreign Direct Investment. WTO member countries have not been compelled by this reasoning and the GOL appears unwilling to revisit the topic at the present time.

On bilateral negotiations in services, the Project understands that a central request of both the US and the EU is to allow market access in legal services. Lebanese lawyers are strongly opposed to this, despite various meetings that were held between the MOET and the Lebanese Bar Association and the prospects for breakthrough in the near term seem limited due, in part, to the lobbying strength of the sector. Beyond legal services, the Project understands that the GOL has also received requests to allow market access in both courier and maritime services.

WTO Accession is not presently a high priority for the Minister of Economy and Trade, the broader GOL, or Parliamentarians. The result is a stalemate in passage and consideration of WTO related legal reform. The lack of movement on the legislative reform is due to two political reasons: (1) a lack of interest in legal reform on the part of both the GOL and Parliamentarians due to the political turmoil that is prevailing in Lebanon (described above) and (2) Parliamentary deadlock which has resulted in the blocking any draft laws submitted to the Parliament following November 11, 2006, the date when six opposition Ministers resigned from the Cabinet headed by Prime Minister Fouad Siniora. The Speaker refused, and still refuses, to include all draft laws referred to the Parliament by the Siniora Cabinet. The Speaker maintains that the Cabinet in place at that time did not have the authority to approve any law because it lacked the sectarian representation called for in the Lebanese constitution. Currently more than 75 draft laws (including some major WTO required legislation) are subject to the aforementioned Parliamentary deadlock.

The GOL is aware that without progress in this regard they will not be able to schedule another Working Party Meeting.

Program Activities

A. Program Administration

A1. Memorandum of Understanding

The Project's Memorandum of Understanding (MOU) was approved by the Council of Ministers in its session of September 1, 2010. The signature ceremony is the final step in the process and is scheduled for December 13, 2010 (Q1FY11).

A2. Work Plan and PMP

Supplemental Materials, Annex 1 of this report provides an update of project activities against the Revised Program Management Plan as submitted to the USAID Contracting Officer's Technical Representative (COTR) on August 27, 2010. The Project's Work Plan and Program Management Plan (PMP) as originally submitted to USAID on contract award were reviewed during the first year of project execution. The original Work Plan is available as Supplemental Materials, Annex 2. Revised versions were submitted to the COTR on August 26 and August 27 respectively. Both documents have not been formally accepted by USAID, but are available as Supplemental Materials Annex 3 and Annex 4.

A3. Planning for USG FY11

On September 1, 2010, the Project's Chief of Party (COP) met with the COTR to discuss the proposed revised Work Plan, the pipeline for Short Term Technical Assistance (STTA), and various other Project related topics. Summary minutes of the meeting were sent to the COTR on September 14, 2010. Based on the outcome of this meeting, the Project is submitting the following documents as requested by the COTR as attachments to this report:

- Forecast of STTA for Q1FY11 (Annex 6)
- Update of Legal Tracker (Annex 7)
- Briefing Paper: Prioritized List Related to Lebanon's Parliament (Annex 8)
- Briefing Paper: Insights from Members of Parliament on Parliamentary Deadlock (Annex 9)
- Briefing Paper: Summary of Lebanon's Key Efforts in its Accession Process (Annex 10)
- Briefing Paper: Strategy to Enable Sectors of the Lebanese Economy to Benefit from the WTO (Annex 11)

A4. Project Team

The Beirut-based Project team is comprised of Ms. Zouha Sakr, the Chief of Party; Dr. Roshdy Abdel Kader, Senior Attorney; Ms. Roudaina Yared, Staff Attorney; Ms. Pascale Aramouny, Communications Officer; and Ms. Joumana Attieh, Office Manager. Ms. Joumana joined the project in Q4FY10 and provides day-to-day logistical and administrative support to the Project. The Office Manager has the responsibility to work with the Project Manager to ensure financial management and reporting in compliance with USAID requirements. Ms. Attieh has been provided distance training by Booz Allen's McLean-based project management team and it is intended that she will benefit from an in-depth, in-person training session in January 2011 (Q2FY11) when the McLean-based personnel travel to Beirut for a project status review with the COTR. Travel authorizations are being prepared to ensure that the correct Booz Allen resources are deployed. The Project is working closely with the COTR to adjust the participation and timing of this management trip and anticipates submission of revised travel authorizations to the COTR in December 2010 for travel in January 2011.

As the pace of WTO Accession has been slower than envisioned at Project start, the Project is working with USAID to assess the structure of full time Project Team personnel in order to ensure best value to the Government and best stewardship of Government resources. As the Project works with USAID to revisit its Year 2 Work Plan and

to evaluate the percentage of time dedicated to the four core tasks, there may be a reallocation of resources from full time engaged staff to that of STTA. The Project anticipates CO and COTR guidance in Q1FY11.¹

A5. Deployment of Short Term Technical Assistance

A key component of this project is the use of tailored STTA to move forward specific areas of legislative reform and capacity building and to take advantage of targets of opportunity as they are identified by USAID and/or the MOET, or to leverage complementary activities by other donors. In all cases, the use of Project STTA resources is at the discretion and approval of the COTR. To date, the pace of STTA deployment has been slower than that originally envisioned by the Project and this is reflected in the detailed update of Work Plan activities (Supplemental Materials, Annex 2). The Project has worked closely with the COTR to review the mechanisms through which STTA opportunities are identified and vetted by USAID, to include developing a revised template that will ensure that the COTR has sufficient information on which to base approval. In addition, in working with the COTR, the Project has refined the way in which STTA candidates are identified and vetted. Historically, STTA candidates have been identified in one of two ways: (1) a Government of Lebanon counterpart requests a specific individual with whom they have worked previously; (2) the Project has suggested a specific individual based upon professional reputation and similar work for other clients.

The Project took note of the USAID directives and approval processes and, in collaboration with USAID, has looked to develop a revised approach that meets the objectives of both USAID and the Project as an implementing partner. In order to ensure that the process of STTA identification is fully transparent, the Project has worked with USAID to include further background documentation related to STTA candidacy and eligibility, to include: (1) initiating identification from the perspective of level of expertise required for the position; (2) providing supporting documentation in cases where the GOL counterpart has made a by-name request; (3) offering USAID more than one candidate for consideration in cases where there is not a named individual put forth; and (4) providing written explanation as to why the Project might recommend one expert over another. As indicated, this process has been refined during the period of performance and is now integrated as a standard practice by the team.

A6. USAID Mission-Level Activities

The Project COP and the Project Communications Officer Ms. Aramouny attended a meeting for all USAID implementing partners on September 29, 2010. The Mission Director Mr. Jim Barnhart discussed current and planned programming, Presidential Policy Directive for Global Development and the role of COTRs and AOTRs. Participants were then briefed about the political situation in Lebanon, followed by a security update, and a presentation on Marking and Branding and event-planning guidelines. Ms. Aramouny took notes of the communication/branding requirements and will coordinate with Mr. Elias Haddad from USAID. The team members also had the chance to meet and greet the new USAID Mission Director, Mr. Barnhart, and the new U.S. Ambassador, Ms. Maura Connelly. Additionally, the Project's COP attended a reception on September 30, 2010 at the US Embassy hosted by the Deputy Chief of Mission, Mr. Thomas Daughton, in the honor of the new Commercial Attaché Ms. Beth Mitchell.

A7. Other Briefing Materials Developed

Upon COTR request, the Project Team has developed additional briefing materials related to core activities. These reports include:

- Briefing Paper: WCT and WPPT Agreements (Annex 12)
- Briefing Paper: Bilateral Requests (Annex 13)
- Briefing Paper: How the Lebanon WTO Accession Project Can Promote Security and Peace (Annex 14)
- Briefing Paper: Status of Draft Trade and Licensing Law (Annex 15)
- Briefing Paper: Pharmaceutical Issues in Lebanon (Annex 16)
- Briefing Paper: Major IPR Issues in Lebanon (Annex 17)

¹ Contracting Officer concurrence was received by the COTR and communicated to Booz Allen on November 8, 2010, during review of this report.

Briefing Paper: Meeting Minutes, Chamber of Commerce on August 16, 2010 (Annex 18)

B. Task 1: Technical Support for WTO Accession

Achieving WTO accession is the first goal of the Project. While much of accession timing depends on the GOL's ability to close the multilateral and bilateral negotiation tracks, the purpose of this task is to provide Lebanese counterparts the tools they need for an expeditious accession characterized by strengthened individuals and institutions, organizational coherence, and informed stakeholders who are part of a robust policymaking process, This includes working with the GOL and other stakeholders to maintain an efficient and participatory process, including, moving the legal reform forward, assisting the MOET keep the accession process organized and on track, preparing MOET's WTO Team for the 8th Working Party meeting, and assisting the GOL in its technical understanding of the questions posed by other WTO members and helping develop answers.

B1. Activity 1: Support Legislative Reform

Lebanon's accession to the WTO is dependent upon legislative reform which must be approved by Parliament. A number of WTO related laws have been submitted to the Parliament, of which only two have been enacted. As noted, Lebanon's Parliament has gone through extended periods of deadlock as well as periods without being in session due to political conflict.

In addition to those areas of legislative reform already identified, it is possible that as Lebanon makes further progress in the WTO Accession process member countries might identify further legislative actions that are needed to bring Lebanon's trade regime into conformity with WTO rules and obligations.

Milestone A: Benchmark status of current legislation and outstanding legislative reform

Immediately following Project start, staff attorney Ms. Roudaina Yared developed an initial tracker to catalogue the status of all WTO-relevant legislation, both pending and outstanding. Throughout the year, Ms. Yared has updated the Project's records on a weekly basis (Supplemental Materials, Annex 7). The tracker of pending legislation includes a comprehensive list of forty legislations (i.e., draft laws, decrees, and decisions) to be enacted by the GOL for compliance with WTO principles and agreements. Among this list are six proposed articles of legislation that were requested by WTO member countries at some stage of the accession process, but which were not reiterated in the most recent set of questions following the 7th Working Party Meeting of October 2009. From 2000 to the date of this report, thirteen articles of legislation have been enacted by the GOL and the rest are pending either in front of Parliament or for action by other GOL institutions.

During Year 1 (FY10), there has been little movement by the GOL or the Lebanese Parliament on the majority of the pending legislative items. The exceptions are the draft International Trade and Licensing Law and the draft law on Technical Regulations (discussed further below). Although the main required legislations have been drafted, the political will to move the agenda forward is lacking. According to Member of Parliament (MP) Nabil de Freij, there are presently 75 draft laws that are subject to parliamentary deadlock, at least 15 of which directly correlate to the WTO Accession Process.

Fortunately, one key piece of legislation required for WTO Accession – the draft International Trade and Licensing Law – has taken a different trajectory. The draft was initially approved by the Council of Ministers through Decision No. 75 dated December 1, 2007, and was sent to the Parliament for enactment. As this approval occurred after November 11, 2006, it was subject to the Parliamentary deadlock outlined above. In order to counter the Parliamentary deadlock, the said Draft Law was adopted by three Parliamentarians from different political backgrounds who resubmitted the Draft Law to the General Assembly of the Parliament for discussion. These are: MP Yassine Jaber, MP Nabil de Freij, and MP Ghassan Moukheiber. Through this innovative workaround, the draft International Trade and Licensing Law is the only law to have successfully moved forward for consideration. This move was exceptional because the draft International Trade and Licensing Law had already been debated and approved by all concerned parliamentary committees in an earlier phase and is technically ready to be enacted by the General Assembly of the Parliament. In addition, the draft law is fairly technical and does not pose significant political issues. Various political factions reached a consensus that enacting this draft will improve Lebanon's trade and better position Lebanon on the international scene. This is unlikely to occur with some other drafts (i.e., the Food Safety Law where political interests are much higher).

On February 11, 2010, the draft International Trade and Licensing Law was included on the Agenda of the Joint Parliamentary Committees. Unfortunately, the session ran out of time prior to discussion of this draft law. On February 18, 2010, the Joint Parliamentary Committees reconvened, but again failed to make it sufficiently far in their agenda to take up the draft law, as we were informed by MOET. It remains an item for future consideration by the Joint Parliamentary Committees. The Project team remains in regular contact with MP Yassine Jaber and MP Nabil de Freij regarding the status of this law as well as the possible role that MPs can play in adopting WTO-related laws and submitting these laws to the Parliament². A note on the status of the draft International Trade and Licensing Law was prepared by the Project and submitted to the COTR on October 23, 2010 (Supplemental Materials, Annex 15). It is the Project's view that the draft International Trade and Licensing Law can move forward and should not pose significant issues to be enacted nor require major debate within the Parliamentary Joint Committees. The immediate next step is to monitor when the next meeting of the Joint Parliamentary Committee will take place, and political efforts should focus on ensuring that the draft International Trade and Licensing Law is among the first items to be discussed.

In addition to the draft International Trade and Licensing Law, on October 6, 2010, the Council of Ministers approved the Draft Law on Technical Barriers to Trade (TBT) and has referred it to the Parliament. The Project was instrumental in providing technical assistance to the drafting of this law, which is an essential piece of WTO-required legislation. In light of the current political climate, the referral of this law to Parliament is a major success and again demonstrates that pieces of the WTO Accession process can move forward, albeit not at the pace preferred.

Unfortunately there has been little to no movement on other pieces of pending legislation and legal reform. The Project continues to follow this topic closely and updates the legal tracker on weekly basis. Ms. Yared has established strong relationships with her counterparts at MOET and is able to track legal reform in a timely manner. This will enable the Project to inform USAID of any change or movement promptly and to quickly identify opportunities for further engagement with MPs and other stakeholders to support the process.

Milestone B: Support the drafting of WTO related legislation

As noted above, the project has a history of supporting review and suggested revisions to legislation related to the WTO Accession process. In order to identify key areas for engagement, and consistent with Task 2, Activity 5, "Baseline of Specific Areas for Reform", described below, in Q3FY10, the Project undertook a gap analysis to determine the remaining legal and regulatory areas of non-compliance. This gap analysis was submitted to USAID along with the project's Q3FY10 report.

Achievement of this milestone is ongoing throughout the period of performance under the terms of the approved Work Plan in order to ensure responsiveness to the WTO Accession process. Due to the nature of the work, the identification of specific areas of legislation to address requires the full engagement of the MOET or any other Ministry which is a direct stakeholder in the specific issue. As such, the Project's identification of a gap is only one piece of the process – to move forward with the engagement of STTA support and a plan of action, requires and active and responsive partner from the GOL.

To date, there has only been one area of legislation for which the GOL has expressed a willingness to engage with the Project in amending current legislation, and that is in developing draft amendments that will bring the Lebanese Copyrights law into conformity with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). To date, Lebanon has received comments from WTO member countries (mainly the United States) about its copyrights regime, to include requests that it introduces a number of amendments to bring the regime into full conformity with TRIPS. A conference call between the MOET and a representative of the Office of the US Trade Representative (USTR) had taken place early February 2010 (Q2FY10), which resulted in a clarification of the US comments and requests regarding amendments to Lebanon's Copyrights Law. As a direct consequence of this call, the MOET requested that the Project engage Mr. Victor Nabhan, an IPR expert

 $^{^2}$ For additional information on this engagement, please see Activity 1, Milestone F BOOZ ALLEN HAMILTON

who had previously provided technical assistance to the MOET under a predecessor USG-funded project, to assist in responding to the US concerns.

In response to this request, the Project strongly advised that the MOET consider the engagement of alternate STTA resources who might better understand the context and objectives of the US concerns and recommendations. From discussions prior to the initiation of this Project, members of the project team understood that some of the language proposed by Mr. Nabhan was not fully consistent with the objectives or requirements of the USG, and that, if enacted, the revised law might still engender questions from the US delegation to the WTO. The Project solicited insights from other stakeholders familiar with the nuances of the US perspectives and suggested the engagement of US expert Michael Schlesinger and Lebanese expert Walid Nasser to jointly review the draft amendments to the Lebanese Copyrights law for conformity with TRIPS and to provide, in both English and Arabic, suggested revisions. These two copyrights experts were identified and engaged based on their extensive experience and vast knowledge of the Lebanese law, TRIPS and US sensitivities and requirements. Both have been approved by the COTR.

This milestone was identified in Q2FY10; the STTAs were approved during Q3FY10. Work began in Q4FY10 with an anticipated conclusion and final report during the second year of performance. Mr. Nasser held an initial meeting with the Project COP on September 27, 2010. Mr. Nasser will serve as the primary drafter of the amendments, for review and further comment by Mr. Schlesinger to ensure that US perspectives are adequately addressed. The Project anticipates that Mr. Schlesinger and Mr. Nasser will provide the Project with a final report in Q2FY11.

Milestone C: Legislative drafting workshop on best practices in legislative drafting for the WTO team and other interested stakeholders

This milestone was originally planned for Q3FY10; however, based on discussions with MOET's WTO team, the Project noted a distinct lack of interest for this type of activity. MOET's officials prefer to deal with best practices in legislative drafting on a case by case basis. The Project suggested in its revised Work Plan of August 25, 2010, that this milestone be cancelled and incorporated in future legislative drafting missions on a case by case basis.

Milestone D: International experts identified and deployed to work side by side with local counterparts to train and transfer knowledge of legislative drafting and draft new WTO compliant laws

Similar to the above, this milestone is contingent upon the completion of Milestone C above and is closely linked to the interest and engagement of the MOET's WTO team. In the absence of an interested partner, the Project recommended in its revised Work Plan of August 25, 2010 that this milestone be cancelled.

Milestone E: Expert opinion and rationale provided through policy option papers for each WTO related legislation pending Parliament approval.

If legislative reform is to take place, the policy rationale behind revised draft legislation must be clear. Parliamentarians and key staff must be familiarized with the basis for the pending legislation and buy-in to its passage. Thus, when Parliament is in session, they will be able to act quickly to secure passage and enactment. In addition to securing the passage of new and revised legislation, it is important to help lawmakers appreciate the implications of these laws and the requirements/obligations that Lebanon will face post-Accession. This multi-prolonged approach (supporting legislative reform, educating with respect to implications of implementation); will help ensure that the GOL is prepared to meet its obligations beyond the period of performance of this project.

This milestone was originally intended for Q3FY10, but did not take place due to the absence of Parliamentary action. It is the Project's considered view that, to be useful, a policy option paper should include factors that represent the current political and economic climate of Lebanon and that provide a rationale/justification that Parliamentarians will find relevant to the issues their constituents are addressing. As such, the timing for such papers should be closely tied to Parliament's agenda. At present, and consistent with this approach, Mr. Walid Nasser, one of the two STTA experts supporting the drafting of revised amendments to the draft copyright law described in Milestone B above, will draft a white paper/rationale for the draft amendments of the copyrights law.

The Project will continue to move forward in preparing such materials for draft laws as they are inserted to the agenda of the Parliament. These materials will be shared with Members of the Parliament who are most likely to play a positive role in moving the legal agenda connected with WTO accession forward. The list of such MPs was drafted and submitted to the COTR with the Project's Q1FY10 Report and remains an active reference document for the Project team.

Milestone F: Topic-specific briefings to key Parliamentarians, including lessons learned from other countries' accessions, syntheses of policy papers, and analyses of positive implications to Lebanon's economy

During the past three quarters the Project has attempted to engage with Parliamentarians on WTO related topics. However, as we have discussed, the political environment in Lebanon has not been conducive to such discussions Despite this challenging situation, the Project has developed relationships and conducted briefings for three key Parliamentarians which have yielded important insights regarding the stalled legal reform agenda:

- MP Robert Ghanem (head of the Parliamentary Justice Committee) informed the Project that Parliamentarians would not reengage in WTO issues until after the municipal elections that were supposed to take place in May 2010. After May 2010, more pressing political /economic issues took over the political discourse in the country.
- MP Nabil de Freij (head of the Parliamentary Committee on Trade and Economy) informed the Project Team that his committee has had no laws to review due to the political deadlock. He held the opposition accountable for blocking 75 draft laws (including some WTO related draft laws) as the Speaker of the House deems the referral of these laws unconstitutional since they were drafted and proposed during the Presidency of PM Siniora and after the resignation of the opposition ministers.
- MP Yassine Jaber, a former Minister of Economy and Trade who belongs to the opposition, was slightly
 more positive about the legislative outlook and asked the Project COP to forward to him the list of
 pending WTO legislation for consideration. He promised to try and find a solution to the political
 deadlock. On May 20, 2010, the Project's COP followed up on the request of MP Jaber and forwarded
 the requested information.

During Q4FY10, the Project reached out to MP Ghassan Moukheiber, but he was unavailable for meetings due to travel. The political discussion in Lebanon is currently more focused on the Special Tribunal for Lebanon, the budget and other security related topics. Other MPs have advised the Project that they are currently focused on other pressing political priorities and are not available for further meetings at this time. The Project will continue to monitor the political climate and reach out to a larger number of MPs that were identified at an earlier stage as potential counterparts in order to continue to push the reform process forward.

B2. Activity 2: Support of GOL in Working Party Meetings

Much of accession timing depends on the GOL's ability to bring to a close the multilateral and bilateral negotiation tracks. The challenge of the Project is to work with the GOL and other stakeholders to maintain an efficient and participatory process, keeping the accession process organized and on track, and building the negotiation skills of MOET's WTO Team in preparation for subsequent Working Party meetings. One of the major challenges faced by Lebanon is the lack of experienced staff members well trained on WTO issues. One of the Project's challenges as a result is to build the capacity of MOET and increase the number of civil servants that can handle WTO related issues.

Milestone A: Reviewing the results of the last working party meeting

The last Working Party Meeting for Lebanon was held on October 28th, 2009. The Project did not provide any assistance in the preparations for this meeting, nor attended as an observer the negotiations - the Project had been closed down and had not yet been renewed at this stage. However, once the Project kicked off again in December 2009, the Project team reviewed the result of the last Working Party Meeting. This milestone was scheduled and completed during Q2FY10.

In Q3 and Q4FY10 the Project followed up informally within the WTO Secretariat on Lebanon's pace of accession. The Project's Senior Trade Advisor Dr. Roshdy Abdel Kader had an informal discussion with Mr. Chiedo Osakwe, the Director of WTO Accession Division, about his expectations for Lebanon. Mr. Osakwe noted that the major obstacle remains the stalled legal reform, but also added that the WTO Secretariat has been extremely busy with Russia's accession to the WTO, which they consider a priority. Lebanon is unlikely to get a new Working Party Meeting scheduled if the legal reform does not move forward.

In addition, during the week of August 9, 2010, a delegation of six directors from the WTO Secretariat in Geneva visited Syria to discuss Syria's accession to the WTO. The Project extended an invitation to one member of the delegation, Mr. Osakwe, to unofficially visit Beirut in order to meet with the Project team, the Project's COTR and Ms. Lama Oueijan from MOET. Unfortunately, the visit did not take place due to a sudden adjustment in Mr. Osakwe's program in Damascus. The Project will build upon the relationship developed with Mr. Osakwe in an effort to organize, in cooperation with MOET, a future, official visit of Mr. Osakwe and other relevant WTO Directors to Beirut later this calendar year. The Project's team will continue to monitor Lebanon's Accession pace through its contacts in Geneva and based upon insights from USTR.

Milestone B: Coordinate through USAID to ensure Project's team has understanding of priorities of US delegation and others if possible

The Project has played a key role in advising the MOET on the US priorities and expectations regarding the draft amendments to the Lebanese Copyrights Law. As mentioned under Activity 1, above, MOET had initially requested the Project to hire the Lebanese Canadian expert Victor Nabhan to provide support in amending Lebanon's Copyrights Law; the Project advised the engagement of other STTA support that might better understand and capture the perspectives of the US delegation based upon their expertise and knowledge of the US industry's interests and challenges. In this particular case, we proposed alternative experts in the form of Mr. Walid Nasser and Mr. Michael Schlesinger as described above.

Additionally, the Project looks for opportunities to engage with other stakeholder organizations, particularly USTR, to ensure as robust an understanding as possible of the nuances around Lebanon's accession efforts. During one such meeting, the Project was informed that Lebanon was still not offering enough commitments to merit serious bilateral negotiations with the United States. The Project remains ready to bring STTA to advise the GOL on areas of bilateral negotiations, but this is a demand-driven area that needs to be initiated by the MOET (i.e., the Project will not benefit by bringing an STTA to Lebanon if GOL counterparts are not willing/able to engage). In addition to USTR, the Project also seeks the insights and perspectives of other USG entities who are engaged in elements of the WTO Accession process, to include Mr. Josh Hallock of the Department of State and a member of the recent USG IPR Delegation as well as others from organizations such as the US Patent and Trade Office. Working closely with the COTR, the Project will continue to integrate the perspectives of the US interagency and other donor activities, to develop an integrated and effective programmatic approach in the Year 2 plan.

Milestone C: Assist WTO unit in preparing briefing materials for delegation team

As the last Working Party Meeting took place in October 2009, prior to the initiation of this Project, the Project has been unable to meet this milestone. The Project is prepared to provide this assistance when the next Working Party Meeting is scheduled. At present, the scheduling of such a meeting is unlikely given the slow pace of legal reform and bilateral negotiations.

Milestone D: Assist WTO unit in organizing a meeting for the WTO National Committee to brief about Working Party Meetings results

This milestone was originally envisioned for the Q3FY10, but has not been met. MOET has resisted the idea of convening the WTO National Committee on the basis that the process of accession has been stalled due to the deadlock in the Parliament. The Project has continued to push this process forward and managed to convince MOET to convene the WTO National Committee for a meeting in early September 2010. Unfortunately, MOET subsequently retracted its commitment. The Project has also advised MOET that existing subcommittees should be revived and new sub-committees should be established.

To date, the Project has faced resistance from MOET counterparts in moving forward with the subcommittees and National Committee meetings, despite advocacy for this effort from stakeholders in the private sector described in greater detail in Task 4, Activity 15, "Improving Stakeholder Engagement" below. In MOET's view, there is no new information appropriate for review. The Project will continue to press MOET to move forward on this issue, insofar as the Committee can serve as a mechanism to encourage forward momentum and demonstrate commitment. The Project will continue to engage with the private sector, through the Chambers of Commerce, to emphasize the importance of re-establishing such sub-committees as a forum for information exchange.

Milestone E: Meet with private sector representatives to understand their concerns and convey message to MOET

The Project has worked closely with representatives of the private sector throughout the period of performance. Additional details related to these efforts are provided in Task 4, Activity 15 below and include the Project's engagement with the American Chamber of Commerce and others. Of particular note, however, are the Project's efforts to engage with those stakeholders who are understood to be opponents of the process, to include the Association of Industrialists, which the Project assesses to be one of the most powerful opponent organizations. The Project Team reached out to Mr. Neemat Frem, the President of the Lebanese Industrialists Association, to discuss the benefits of WTO accession to the Lebanese economy as a whole. Mr. Frem is skeptical about the impact of WTO accession on the Lebanese industry. He stated that industrialists were hit hard when customs duties were unilaterally reduced by the GOL in 2000. Mr. Frem stated that industrialists believe that this reduction was the result of WTO negotiations. Mr. Frem also believes that there is not enough information and understanding on how WTO benefits translate to higher profits and more market share. According to Mr. Frem opening the market and trading with 157 countries is like putting "a chicken and a wolf in the same cage"; the Lebanese industrialists would be vulnerable especially because there is a lack of trust in the GOL policies regarding the industrial sector in Lebanon. Mr. Frem believes that industrial parks would support private sector development in addition to improved infrastructure; current market demands outweigh the infrastructure capabilities. He is also looking to the Government to protect the private sectors by giving subsidized loans and introducing an export tax. He indicated his willingness to cooperate with the Project and further clarify the Association's concerns. The Project is in the process of drafting a scope of work (SOW) for a team of experts to develop an economic study on the impact of WTO accession on the Lebanese economy as a whole. This study will serve to build a robust argument as to the possible impact of WTO accession on various sectors including the industrial sector. The Project also will assess the need to deploy an expert on industrial policy to provide guidance to the Lebanese industrialists on how to develop a local industrial policy that fulfills WTO requirements. Mr. Frem seemed supportive of the idea. The Project will, in the coming phase, further elaborate this option and follow up with Mr. Frem.

Additionally, based on the recommendation of the IPR delegation that visited Lebanon July 22-24, 2010, and described in greater detail below in Task 3, Activity 13, "Building Capacity on IPR with GOL Stakeholders", below, the Project understands that the pharmaceutical industry is facing a strong challenge regarding protection of confidential information in Lebanon. This is mainly due to the interpretation given by the GOL to the current article 47 of the Patent law. This article is essential for data protection and marketing related to innovative products in the absence of patent registration in Lebanon. The Pharmaceutical Research Association of Lebanon drafted a legal interpretation of Article 47 of the Patent Law and sent it to the US Embassy in Beirut requesting that the Embassy forward it to the relevant Lebanese ministries for consideration and adoption. The Project followed up regularly with the pharmaceutical industry regarding the interpretation of article 47 of the Patent law and is closely following the developments on this topic through continued collaboration with stakeholders and will offer assistance as appropriate and consistent with Project objectives.

During Q4FY10, the Project's COP followed up with Ms. Rouba Chalabi from the company Johnson and Johnson on the progress regarding the above topic and noted no movement since the interpretation of article 47 of the Patent law was sent to the commercial section of the US Embassy by the pharmaceutical industry. The Project was requested by the COTR to provide a short briefing about the pharmaceutical issue in Lebanon on November 5, 2010 (Supplemental Materials, Annex 16, "Pharmaceutical Issues in Lebanon"; Annex 17, "Major IPR Issues in Lebanon"). Follow up on the political level is required is at present to move this process forward, to likely include the engagement of US Embassy and Mission personnel working in concert with other vested USG agencies.

The Project team met several times with the Chambers of Commerce to discuss WTO related issues and address their concerns/ provide answers to some misconceptions they may have regarding the accession process. This is an ongoing milestone under the work plan and the Project will continue to expand its cooperation with the private sector in future phases. One area for consideration is the engagement of an STTA industrial policy expert to review and assess the concerns of the industrialists vis- a-vis WTO accession.

Milestone F: Accompany delegation to Geneva to observe sessions and support participation

The Project has not met this milestone, as it is contingent upon the scheduling of a new Working Party Meeting, which is outside the control of this Project.

Milestone G: Develop trip reports capturing key messages. Repeat steps through final accession

The Project has not met this milestone, as it is contingent upon the scheduling of a new Working Party Meeting, which is outside the control of this Project.

Milestone H: Repeat steps through final accession

The Project fully intends to provide the support envisioned in this milestone as the opportunity arises through the scheduling of future Working Party meetings.

B3. Activity 3: Assistance to respond to questions from the Working Party Meeting

The questions posed by Working Party Members are often highly technical and sector specific. In order to assist the GOL in its technical understanding, the proper expertise must be provided in specific functional areas to help draft and submit full and satisfactory answers to questions received at the Working Party meetings and to conclude multilateral track negotiations.

Milestone A: Obtain list of questions received from the Working Party Meeting

No Working Party Meeting has been held since the 7th Working Party Meeting of October 2009. At that time, only the United States provided the GOL with further comments to be addressed. The US submission included some specific questions, and many suggestions for specific language amendments to the Lebanon draft accession report. Upon Project start in December 2009, the MOET provided the Project team with a copy of the United States' questions and comments.

Milestone B: Prepare and submit draft responses to MOET

This milestone was met during Q2 and Q3 FY10. A copy of the questions and answers was forwarded to USAID as an attachment to the Project's second quarterly report.

The Project provided ad hoc assistance to MOET in drafting the responses to the questions and the comments made by the US delegation that were raised during and after the 8th Working Party Meeting, as specifically requested by MOET. The suggested responses to questions and language amendments were sent by MOET to various Lebanese stakeholders (public and private) for review and feedback, for consolidation by the MOET team. The Project worked closely with MOET counterparts to ensure follow-up and closure on this effort. MOET forwarded its final answers directly to USTR in April 2010. USTR has not yet provided any feedback to MOET; the Project regularly checks in with its USTR contacts for any informal feedback that may inform Project priorities. The next set of questions will only be received following the 8th Working Party Meeting which has not yet been scheduled. Should this meeting occur and questions be received by the GOL, the Project is prepared to support MOET in drafting its responses.

Milestone C: Validate draft responses against input received from affected stakeholders

This milestone was met in Q3FY10. MOET is in charge of validating the input received from various stakeholders regarding the US comments and questions. As noted in the above Milestone B above, the Project followed up on regular basis with the WTO team at the MOET and managed to activate the process of validating the responses to the questions against input received from stakeholders and

Milestone D: Prepares a consolidated draft document for MOET

As noted above, the Project assisted the MOET in preparing elements of its draft response to the 7th Working Party Meeting during Q2 and Q3FY10.

Milestone E: Project conducts final validation and submits proposed draft responses to MOET for submission to WTO Secretariat

As noted above, the GOL received a number of specific questions and many suggestions for specific language amendments to the Lebanon draft accession report during the last Working Party Meeting. As noted above, the Project provided ad hoc assistance to MOET in drafting the answers to the questions and comments received following the 7th Working Party Meeting. The Project team worked side by side and on daily basis with the WTO accession team at MOET to finalize this submission. The master document was held/updated by the MOET. This milestone was completed in the Q3FY10.

Milestone F: MOET transmits responses to WTO secretariat

As noted above, the only questions and comments received following the 7th Working Party were those of the United States. As a result, MOET transmitted its responses to USTR only, and not via the WTO Secretariat. There has been no other request for answers or comments subsequent to the 7th Working Party meeting.

Milestone G: Project prepares report for USAID summarizing support provided and including GOL responses This milestone was met with the Project's submission to USAID of the GOL's responses as an Annex to our second quarterly report (Q3FY10).

B4. Activity 4: Providing Necessary Advice to GOL to conclude bilateral negotiations

In addition to the multilateral track, the GOL must bring bilateral negotiations to a close in order to accede to the WTO. To ensure that negotiations are conducted in an efficient manner, the GOL will need support in maintaining a systematic process of engagement with key ministries, the private sector, and stakeholders to ensure buy-in and the inclusion of a full range of policy views. The negotiation team also requires support in building negotiation skills, document preparations, technical understanding of the requests made by WTO member countries, background research and economic analysis in support of negotiating positions.

Milestone A: Project team conducts research on specific bilateral matters of concern, possibly to include identifying expert to develop recommendations

The Project team interacts on daily basis with MOET's WTO team and discusses specific bilateral matters of concerns. However, MOET was skeptical of general research to identify specific matters of concern in bilateral negotiations. MOET perceives the role of this Project in bilateral negotiations as targeted engagement on an as needed/as requested basis.

Based on the Project's team discussions with MOET, it was concluded that the GOL is facing pressure in three major services sectors: Professional services (mainly the legal profession), maritime transport services and courier services.

The MOET views the liberalization of the maritime transport services as a priority. Therefore, the Ministry requested the Project to field a short term expert to provide technical assistance to the Ministry of Transportation on maritime services. The Project team requested a meeting with the Director General of the Ministry of Transportation to further discuss the scope of the requested technical assistance. Ms Rima Khatib (Services Negotiator/ WTO Unit- MOET) had attempted several times to schedule a meeting with the Ministry of Transportation to discuss their concerns and possible cooperation with our Project; however, she was unable to schedule such meeting. Cooperation with the Ministry of Transportation is a key element for the success of any mission regarding maritime services. Therefore, the Project decided to wait until better cooperation with the Ministry of Transportation can be ensured.

Regarding legal services, MOET informed the Project that this topic was being dealt with by European Union technical assistance, and asked us not to undertake any activity in this regard at this point.

Regarding courier services, MOET requested that, the Project provide technical assistance to understand the US bilateral requests regarding courier services. Please see Milestone D below for details.

Milestone B: Project reply submitted to MOET

As mentioned in Milestone A, MOET was not very receptive to having the Project conduct a research paper on bilateral issues and concerns. Therefore, discussions and technical assistance on bilateral negotiations were conducted on ad hoc basis and per specific request of MOET. As a result no formal reply has been submitted to MOET.

Milestone C: Project team conducts necessary meetings with relevant stakeholders to discuss concerns related to bilateral negotiations

The Project was unable to meet this milestone as MOET insists on restricting the involvement of the Project in bilateral negotiations to ad hoc assistance on an as-requested basis.

Milestone D: Project team identifies STTA to meet with stakeholders to address concerns, draft appropriate legislation, draft modified procedures or provide international comparative studies (as appropriate)

Lebanon is currently in the process of completing its bilateral negotiations on goods and services. The United States submitted a request to MOET for the liberalization of Lebanon's courier services. MOET requested that the Project provides technical assistance to the GOL - through MOET and in cooperation with the Ministry of Telecommunication – in order to assist the GOL in better understanding the US request and its implications on Lebanese courier services. The ultimate goal of this technical assistance mission would be to explain to non-WTO experts the issues at stake if Lebanon commits to full liberalization of its courier services.

The Project has identified renowned international courier services and WTO trade expert Mr. James Min to:

- 1. Explain in laymen's terms the WTO provisions for courier services and for the US request, the scope of the sectors and sub-sectors that are requested for commitment (i.e. a clear definition of the different services that fall under each Central Provision Classification (CPC), a detailed listing of the activities that are involved in this sub-sector, etc.).
- 2. Draft a list of the measures that cannot be maintained or those that could be considered in violation to the full commitment proposed (i.e. a list of the usual measures that other countries who have not committed to full liberalization are maintaining in courier services).
- 3. Summarize the measures that other countries similar to Lebanon in terms of development and economy size have maintained in their schedules of commitments, in addition to a study of the measures applied by neighboring countries

Mr. Min was approved by the COTR on August 5, 2010. On August 24, 2010, the Project COP and Ms. Rima Khatib (Service Negotiator, MOET) had a conference call with Mr. Min to discuss the scope of the mission and the expectations of MOET. The Project forwarded to Mr. Min a number of documents needed to facilitate his mission. Mr. Min submitted a first draft of his report on October 27, 2010. The MOET will provide comments shortly and the expert will deliver a final version of his report by November 30, 2010.

C. Task 2 Activities – Assist the GOL in Implementing Remaining Key Reform

Accession to the WTO is not the conclusion of a process; it is the beginning of a long-term relationship with the WTO in which the GOL must comply with the agreements it has made, and takes advantage of the potential trading and investment opportunities with WTO members. Therefore, the implementation of key reforms must take place pre and post accession, with special attention paid to developing human capacity and resources through training, institutional strengthening through process redesign, and building internal support for reform through targeted outreach.

C1. Activity 5: Baseline of Specific Areas for Reform

This activity is dependent upon developing tailored interventions that meet the evolving needs of the GOL and key project stakeholders; therefore a Gap analysis and a trade facilitation diagnostic are required to be able to develop a prioritized list of interventions to be used as guidelines for the Project.

Milestone A: Gap Analysis: Review of current status of legislation vs. what is required to be in compliance with WTO

A legal Gap Analysis was completed and submitted to the COTR as an attachment to the second quarterly report. The legal Gap Analysis is a living document that is updated on weekly basis by Project's Attorney Roudaina Yared. The most updated version is always attached to quarterly reports. The Project will continue tracking movement on the legal reform front and update the Gap Analysis whenever needed.

Milestone B: Diagnostic assessment of trade facilitation and customs, including procedures at ports (such as BizClir)

This milestone was intended to begin in Q4FY10. The Project submitted to the COTR on October 17, 2010 a travel authorization for the Project's expert, Senior Trade Advisor, Ms. Anne Simmons—Benton, to work on a diagnostic assessment of trade facilitation and customs, in addition to other tasks. As of the date of submission of this report, the timing of this STTA is currently under review and may be adjusted to take place in Year 2 of the Project.

Milestone C: Prioritize list of intervention based on trade facilitation assessment

This milestone is contingent upon the completion of the trade facilitation mission.

Milestone D: Impact studies: detailed analysis of the impact reform would have on key sectors of the Lebanese Economy

This milestone was originally intended for the Q1FY11. The Project is discussing with MOET priority sectors for assessment and understands that USAID will be initiating dialogue with other donors for their perspectives and insights. As the Project looks ahead to Year 2, we will work with USAID to explore the establishment of a revised milestone tied to the development of an economic study on the impact of WTO Accession on Lebanon's economy in general and/or on some specific sectors.

C2. Activity 6: Strengthening the WTO Unit for Accession and Implementation

Strong WTO Unit with linkages to relevant trade ministries is critical to the accession process as well as to formulation of trade policy. MOET currently has temporary staff funded by donors. GOL needs a plan for how to maintain a well functioning WTO unit.

Milestone A: Prepare summary report on international best practices of a well functioning WTO Unit

This milestone is intended for Q1FY11. The Project's Senior Trade Advisor Dr. Roshdy Abdel Kader is in the process of drafting recommendations to be submitted to MOET regarding international best practices of a well functioning WTO Unit. The recommendations will be submitted by December 31, 2010.

Milestone B: Present report finding to MOET and key stakeholders

This milestone is contingent upon the completion of Milestone A, described above.

Milestone C: Develop a plan for implementing best practices for the WTO Unit which includes a revised organization design and suggested processes

This milestone is contingent upon the completion of the Milestone A, described above.

Milestone E: Assist WTO unit in implementing suggested changes

This milestone is intended for Year 2, as follow-on to the steps outlined in the preceding sections.

C3. Activity 7: Revive the National Committee

A well-functioning trade policy formulation process requires the input of both the private and the public sector. Currently there is no formal mechanism to have private sector input into proposed laws, regulations, and reforms. Previously, the National Committee existed but it does not have the optimal structure to provide the

input required. The National Committee for WTO Accession should be the driving force behind the accession process. The establishment of sub-committees or working groups within the National Committee that includes representatives of the private sector would provide a better knowledge of each sector and thus will allow respective industries/sectors to better position themselves for the post–accession era. Even in times such as the present, when the Accession process is in relative stasis, this structure will constitute a robust back up for the process that would keep the momentum of all the already achieved steps.

Milestone A: Assess current structure and composition of the National Committee, and suggest functional sub-committees or working groups on major trade policy components (i.e., TRIPS, Services, SPS, TBT, Trade Facilitation)

The Project's Senior Trade Advisor, Dr. Roshdy Abdel Kader has drafted recommendations suggesting the establishment of functional sub-committees and working groups on major trade policy components (Supplemental Materials, Annex 8, "Prioritized List Related to Lebanon's Parliament"). However, as mentioned under Activity 2, Milestone D, "Assist WTO Unit in Organizing a Meeting for the WTO National Committee etc" above, the MOET has been resistant to the idea of convening the WTO National Committee. To date, MOET has not changed its position regarding convening the National Committee and establishing sub-committees, and the Project does not anticipate a reversal in its position in the near term. The Project will continue its efforts to change the MOET's view of the value of the National Committee on WTO accession and encourage its adoption of the Project's recommendations regarding establishing the sub-committees. The decision to revive and expand the composition of the National Committee is the discretion of the GOL, namely MOET. However, the Project will continue to push this process forward through explaining to the private sector the benefits of the said structure and the role that the private sector should be playing in trade policy formulation.

Milestone B: Provide a comparative study on trade policy formulation

This milestone was anticipated for Q1FY11. Given the lack of momentum on the National Committee, we do not anticipate that this milestone will be met. Upon consultation with USAID as we prepare for Year 2 milestones, it is worth evaluating whether the comparative study envisioned in this milestone would positively contribute to a change of perception on the part of MOET or other GOL stakeholders.

Milestone C: Make recommendations for revitalizing the National Committee to incorporate private sector input into the policy process

As noted above, the Project continues to advocate for the revitalizing of the National Committee as well as broader engagement with the private sector in this forum. This milestone has not been met due to MOET's unwillingness to reconvene the National Committee.

C4. Activity 8: Develop a Cadre of Parliamentarian Champions for Reform

Quite often Parliamentarians don't have the up-to-date information they need to support the legislative and institutional reforms required and/or to properly brief their constituents on the rationale underlying these reforms. Better informed legislators on key trade subject areas are needed to create a better environment for trade. Therefore the Project identified the following steps to keep parliamentarians engaged in the accession process.

Milestone A: Identify members of Parliament with greatest influence in the committees

This milestone was completed during Q2FY10. The Project submitted with its Q2FY10 Report a list of Parliamentarians who could be strong supporters of reforms.

Milestone B: Host in-depth briefing sessions on key legislation pending parliamentary vote as well as special briefings on WTO agreements, such as services (Telecom and professional services and IP issues)

In previous quarters, the Project's team reached out to three key Parliamentarians (MP Nabil de Freij, MP Yassine Jaber and MP Robert Ghanem) to discuss the best ways to improve cooperation between the Project and members of Parliament. The political discussion in Lebanon is currently more focused on the Special Tribunal for Lebanon, the budget and other security related topics. The MPs advised the Team that they were currently focused on other pressing political priorities and were not available for further meetings at this time. The Project

Team will continue to monitor the political climate and reach out to a larger number of MPs that were identified at an earlier stage as potential counterparts in order to continue to push the process of reform forward.

Milestone C: Track WTO legislation with parliamentary committees

This is an ongoing activity of the Project. The Project Senior Lawyer, Ms Yared, established an excellent relationship with her counterparts at MOET which enables her to track any slight movement of WTO related legislation within parliamentary committees. Ms. Yared established a very detailed tracking sheet for legal reform and updates it on weekly basis. On October 22, the Project provided a written update to the COTR regarding the draft International Trade and Licensing Law. The history of this draft law is interesting; it shows that stalled legislation can be removed from the current Parliamentary deadlock if the political will exists. Please see the detailed note on this topic (Supplemental Materials, Annex 15, "Status of Draft International Trade and Licensing Law"). The Draft International Trade and Licensing Law is now ready to be inserted on the Agenda of the Joint Parliamentary Committee. The Project will continue to advocate that this draft be among the first items to be discussed during the next session of the Joint Parliamentary Committee.

Milestone D: Completed awareness

Awareness-raising is an ongoing activity tied to specific activities. The Project continues to raise awareness among Parliamentarians through scheduled meetings with their staff.

C5. Activity 9: Implementation of Reforms to take Advantage of WTO Accession: Streamlining of Import/Export Procedures

Even with the best legislation in place, there needs to be strong implementing institutions (such as Customs), supporting institutions (such as Freight Forwarders and Customs Brokers) and the correct processes in place to expedite trade. The private sector needs to understand the rules and regulations related to procedures so that time is not lost due to errors in both paperwork and processes.

Milestone A: Prepare an action plan that will address the needs of the various stakeholders including public and private This milestone was intended to begin in Q4FY10 but was not met as it is contingent upon completion of Activity 5, Milestones B and C, "Diagnostic Assessment of Trade Facilitation and Customs..." and "Prioritize List of Intervention based on Trade Facilitation Assessment". All remaining milestones identified with this activity are to occur in Year 2 of the Project.

C6. Activity 10: Negotiation Seminar

It appeared from previous experience that the GOL negotiation team could benefit from improved negotiation skills. WTO negotiations are the first experience in international negotiations for most of the GOL WTO team members. Often messages from WTO member countries have been misinterpreted by the Lebanese delegation which is delaying the process. It is crucial to provide the GOL negotiating team with the necessary skills based on lessons learnt from other countries. Negotiating skills gained in relation to WTO accession will serve GOL officials in other international contexts.

The milestones for this activity were, per the Work Plan, intended for Q4FY10 and Q1FY11. At present, the Project does not anticipate that the associated milestones will occur based upon the slow pace of accession and the lack of interest of counterparts at MOET, for whom this activity was envisioned to support. Based upon this assessment, the Project recommends that this activity be put on hold and thus not be inserted in the immediate future iterations of the Work Plan.

D. Task 3 Activities – Provide Support for Capacity Building

Building institutional capacity is essential to ensuring the long-term sustainability of reforms and full participation in the world economy. The aim of this task is to transfer technical expertise and knowledge to Lebanese counterparts, who will assume responsibility for implementing reforms and ensuring that institutions and processes are in place to enable Lebanon to meet accession requirements. The Project strategy is to work closely

with local partners to conduct a multistep program to design capacity building engagements that maximize participation, creative thinking, and sustainability. The first step is to assess the needs (including training) of the TBT Enquiry Point at LIBNOR, the SPS Enquiry Point at the Ministry of Agriculture, the WTO Unit and Trade Remedy Unit at MOET, and the Intellectual Property Protection Office and identify gaps and where assistance is required. Second, for each gap identified, the Project will develop a list of targeted interventions tailored to the specific needs and priorities of the GOL and stakeholders. Third, the Project will look for crosscutting areas to maximize both impact and resources.

D1. Activity 11: Establishing the Enquiry Point

Under the WTO Agreement on Technical Barriers to Trade (TBT), Members are required to ensure that mandatory technical regulations, voluntary standards, and conformity assessment procedures do not create unnecessary obstacles to trade. The TBT Agreement also recognizes that countries have the right to establish an adequate level of protection for human, animal, or plant life, or the protection of health and the environment. Such information is provided by an Enquiry Point.

The Enquiry Point serves as an information center that is responsible for responding to requests from other WTO members about the technical requirements for products in effect in the member country. In return, the Enquiry Point is able to request information from other WTO members about foreign technical requirements for products in which they have a trade interest and receive automatic updates of changes from other WTO members once Lebanon accedes to the WTO. This is important not only for WTO Accession, but also insofar as it helps Lebanese companies to be competitive in external markets by keeping them up-to-date about changes in those markets. A functioning Enquiry Point and Standards Body is important to a well-functioning business-enabling environment.

Lebanon's lack of a functional TBT enquiry point hinders the competitiveness of the private sector by limiting access to immediate information on changing market access conditions in WTO member markets. Support is needed to strengthen both SPS and TBT Enquiry points as well as to increase awareness of the TBT agreement among stakeholders. This is necessary to ensure that Lebanon is able to meet the requirements of the TBT Agreement, comply with its post Accession engagements and to position its private sector to maximize the benefits of accession.

Milestone A: Meet with MOET, LIBNOR and Ministry of Agriculture officials and review technical assistance needs and changes resulting from other donor activity.

The Project Team met several times with the management of LIBNOR to determine, outline, and prioritize those areas where technical assistance is needed to bring the institution into compliance with WTO requirements. Both Parties agreed that this effort will be a lengthy process that needs to be approached in phases. Therefore, it was agreed that the first phase of assistance would be to assess Lebanon's needs and to draft a detailed roadmap towards the establishment of a functional Enquiry Point. (Please see Milestone C below for further details.)

In addition, the Project identified the need to assist LIBNOR in developing its database. Indeed, there is no functional enquiry point without a strong database. The Project suggested the establishment of a TBT Steering Committee that would act as the Project counterpart to develop the said database.

The Project provided LIBNOR with a draft letter for transmission to various stakeholders requesting the nomination of a representative for the above mentioned task. LIBNOR sent out the letters to various ministries and stakeholders and convened a meeting to establish the Steering Committee on August 18, 2010.

The Project Team, comprised of COP Zouha Sakr, Senior Trade Advisor Dr. Roshdy Abdel Kader, and Project Attorney Roudaina Yared, attended the first meeting of the Committee, which was chaired by Ms. Lena Dargham, Acting Director General of LIBNOR and attended by:

- Ms. Mirvat Itani, Council of Ministers, President of the Diwan
- Ms. Lina Assi, Ministry of Industry
- Mr. Yehya Alameedin, MOET

- Ms. Rita Feghaly, UNDP Project, MOET
- General Abdel Kader Ariss, Ministry of Defense
- General Ziad Semsmieh, Ministry of Defense
- Ms. Hanadi Jaafar, Ministry of Agriculture
- Mr. Hani El Hage Shehade, Customs
- Mr. Antoine Faysal, Industrial Research Institute
- Ms. Maya Nohra, LIBNOR

A number of other ministries did not nominate representatives.

The Project COP provided a presentation on the WTO TBT Agreement and the role and responsibilities of the Enquiry Point. The presentation was followed by a discussion which focused on the role of each entity (member of the committee). The representative of Customs, Mr. El Hage Shehade, said that the Customs Authority has created a database by product and HS code that could be very relevant to LIBNOR. He made reference to a decision issued by the Customs Directorate (Directive No. 1) and advised LIBNOR to officially request a copy of this decision and use it as a start point for building its database. In the same context, Ms. Rita Feghali from MOET stated that the EU-funded Qualeb Project at the MOET has also attempted to gather all the existing TBT measures in one database and that the Qualeb Project is willing to provide a copy of their information to LIBNOR based on an official request.

Therefore it was recommended that LIBNOR:

- 1. Follow up with the remaining ministries on the nominations in order to complete the set up of the TBT committee.
- 2. Officially request a copy of Directive No. 1 from the Customs authorities.
- 3. Officially request a copy of the TBT database from the Qualeb project at MOET.
- 4. Schedule a meeting between LIBNOR and the Military Chamber at the Army to further explain the scope of the committee.
- 5. With the assistance of the WTO Project, forward the data in the database gathered to relevant ministries, update it and follow up on progress.
- 6. Set up a meeting for the TBT Committee within the next two months to brief the members on progress and other related issues.

Milestone B: Meet with other donors to see what assistance they are currently or planning to provide. The EU provides some assistance in this area.

The Project regularly reaches out to other donors and donor-funded activities, working primarily through LIBNOR and MOET, to understand and remain apprised of the various types of technical assistance being provided by donors and how they might relate to Project objectives; this includes leveraging McLean-based Booz Allen resources to understand the possible activities being undertaken by other USG funders. Currently, the EU is not funding any activity related to the TBT Enquiry Point and its funding for the Qualeb Project at the MOET has concluded.

Milestone C: Identify STTA to assess needs of enquiry point and raise awareness on the TBT Agreement and the notifications requirements

The WTO TBT agreement requires the establishment of an Enquiry Point. The Project discussed in details with LIBNOR and the MOET the establishment of a functioning Enquiry Point at LIBNOR in accordance with the requirements of the WTO TBT agreement.

In order for Lebanon to set up a functional and effective TBT Enquiry Point a number of activities are required. These include, but are not limited to: training staff members; establishing operating procedures; establishing a

database; developing an operating budget; application of necessary Information Technology solutions; cooperation with other centers; communication with authorities responsible for technical regulations, standards, and conformity assessment programs; identifying partners; and, implementation of an outreach and strategic communications strategy.

Both Parties agreed that this effort will be a lengthy process that needs to be approached in phases. Therefore, it was agreed that the first phase of assistance would be to assess Lebanon's needs and to draft a detailed roadmap towards the establishment of a functional Enquiry Point. The deliverables for this first phase shall consist of:

- 1. Assessing Lebanon's readiness for compliance with the WTO TBT agreement related to the functioning of the Enquiry Point and Notification Authority;
- 2. Drafting a comprehensive road map for the establishment of the TBT Enquiry Point, including assessing the needs of LIBNOR in terms of operating equipment, human capital, training needs, database development, etc;
- 3. Identifying the role, structure and scope of the Enquiry Point to be established at LIBNOR.

Ms. Diane Thompson, an international Enquiry Point and Standards Expert who previously provided technical assistance to LIBNOR and MOET, was approached by the Project for availability. The scope of work was drafted by the Project, validated by LIBNOR, and approved by the COTR. Ms. Thompson's trip to Lebanon is scheduled from November 1-13, 2010 (Q1FY11). In addition to working with LIBNOR, Ms. Thompson will deliver a presentation on the WTO Agreement on Technical Barriers to Trade and the WTO requirements in terms of Enquiry Point and Notification Authority.

Milestone D: Host workshop to address issues related to setting up the enquiry point and ensuring that all vested stakeholders are invited

This milestone will be met in Q1FY11 as of November 11, 2010, with the workshop that has been scheduled by the Project to coincide with Ms. Thompson's visit.

Milestone E: Develop an organizational plan for the Enquiry Point and the Notification Authority, including operating procedures, description of resources required including IT assessment, and staffing roles and responsibilities

This milestone will be met in the fourth quarter of this year, in the content of the final report prepared by Ms. Thompson in relation to her technical mission of November 1-13, 2010 (Q1FY11).

Milestone F: Develop a training needs for both SPS and TBT Enquiry Points

With respect to the TBT Enquiry point, this milestone will be met in Q1FY11 through the final report prepared by Ms. Thompson following her November technical mission.

With respect to the Sanitary and Phyto-Sanitary (SPS) Enquiry Point, this milestone has not yet been met. Based on the Project's discussions with the MOET's WTO team and other contacts at the Ministry of Agriculture, the Project noted a lack of interest for this activity. The Minister from the opposition may have influenced the decision of the Ministry of Agriculture officials to meet with the Project team. As we head into Year 2, we will assess with the COTR the most appropriate mechanism and timing for engagement with the Ministry of Agriculture related to USAID-funded support for this milestone.

Milestone G: Develop and host training workshops based on outcome of needs assessment

This milestone was originally intended for Q4FY10. As the content of these workshops will be determined by the work of Ms. Thompson, the Project anticipates that this milestone will take place in Year 2 (FY11).

Milestone H: Provide information to the private sector on how to use the Enquiry point and how it can support their business

This milestone was originally intended for Q4FY10. As the content of these workshops will be determined by the work of Ms. Thompson, the Project anticipates that this milestone will take place in Year 2 (FY11).

Milestone I: Develop a TBT handbook based on Lebanon's position and needs that can also be placed on the website.

This milestone was originally intended for Q1FY11. As the content of these workshops will be determined by the work of Ms. Thompson, the Project anticipates that this milestone will take place in Q2FY11.

D2. Activity 12: Building the Capacity of the Trade Remedies Unit (TRU)

Lebanon's private sector largely views WTO Dispute Settlement, Trade Remedies, Anti-Dumping and Safeguards as the government's job. However, due to the lack of public resources and mechanisms to engage the private sector, many stakeholders lack the confidence in the GOL's capacity to follow through and protect them. Support in strengthening GOL's capacity to investigate claims and build factual and legal cases necessary to enforce trading rights is critical to building private sector support of accession as well as to ensuring their success in effectively using the WTO system to their advantage

Milestone A: Work with MOET to issue a decree/decision to formalize the role of the TRU

This milestone was originally envisioned for Q4FY10. That said, at present, the Project does not perceive the political climate as conducive for such activity, in part due to the close affiliation between the staff of this office and UNDP (the leadership and staff are provided through UNDP support). Presently, there is a high degree of media focus and popular criticism on projects supported by UNDP. In particular, these projects are being identified in both Lebanese media and some political circles as serving as a "parallel administration" to that of the GOL. As such, the Project's MOET counterparts who are in place through UNDP support are hesitant to engage in any activity that might bring heightened attention to their status and distract from their day-to-day activities.

Milestone B: Work with MOET to identify STTA to support technical assistance to the TRU including the following activities MOET requested the Project to provide technical assistance to the business community on how to best manage and handle trade remedies cases. The scope of the technical assistance is to build awareness within the Lebanese business community on how trade remedy measures are applied in conformity with WTO Agreements, what are the consequences of trade remedies on the national economy, what the data requirements are, and how to fill in the application forms. The purpose of this assistance is to build the capacity of the private sector to leverage trade remedy measures as part of a greater awareness of the benefits of WTO accession. This milestone would help implement the Law of Trade Remedies that was enacted by the Parliament on October 31, 2006.

MOET requested, by name, Egyptian expert Mr. Mouaffak El Fayyoumi, who currently works for the Egyptian Trade Remedies Unit, which is known as one of the most experienced and effective trade remedies units in the Arab World. As of Q4FY10, the Project reviewed the SOW of the expert that was requested by MOET. The Project anticipates that a final version of the SOW be submitted to the COTR in Q1FY11.

Milestone C: Assist Ms. Qassem in developing the organizational policy and procedures in the TRU

Milestone D: Work with Ms. Qassem to Design an Institutional Unit for investigation of Trade Remedies cases

Milestone E: Develop and conduct a training needs assessment for both the TRU and the investigative authority

Milestone F: Develop and host training workshops based on outcome of needs assessment

Milestones C through F, originally proposed for the Q3 and Q4FY10, have not taken place yet, as they are contingent upon completion of Milestone B. The project anticipates that these milestones can be undertaken during Year 2 of the Project (FY11).

D3. Activity 13: Building Capacity on IPR with GOL Stakeholders

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is one of the most complicated agreements at the WTO and has heavy implementation obligations. Lebanon has a lot to be gained by fully understanding and implementing the agreement given its own entertainment (film and music) industry, pharmaceutical production and interest in geographical indications. Ensuring that the MOET Unit supporting the WTO negotiations is aware of current developments and complexities, that other GOL/stakeholders are equally

well-informed, and that the implementing institutions are prepared to meet the obligations that the TRIPS agreement imposes as well as reap the benefits from the protection to Lebanon's creative industries is a key focus of the Project's technical assistance in this area.

Milestone A: Develop and conduct an assessment of the capacity for support of TRIPS negotiations and implementation across the government to include all aspects of IPR

Milestone B: Prepare a training plan for MOET and other key stakeholders

Milestone C: Survey existing programs for IPR training to include the USPTO and WIPO to use programs already designed and available

Milestone D: Provide local training to fill in the gaps and to reach necessary stakeholders that would support strong IPR regime

Milestone E: Develop a cadre of IPR professionals from academia, law and the government.

The Project has only partially met the milestones described for this activity during the period of performance to date. In large part, the Project's efforts on IPR have been focused upon developing a refined understanding of the viewpoints and perspectives of US stakeholders and possible areas where existing programs could be leveraged to improve the GOL's capacity on this issue. A milestone on IPR, not anticipated at the time of the Work Plan, was the July 22-24, 2010 (Q4FY10) visit of a delegation comprised of representatives from various U.S. government agencies. The delegation's purpose was discussions with Lebanese government officials and private sector leaders regarding intellectual property rights (IPR) in Lebanon. Participating in the delegation were officials from the U.S. Patent and Trademark Office, the Office of the U.S. Trade Representative (USTR), the Department of Justice (USPTO), the U.S. Copyright Office (Copyright), and the U.S. Department of State. While in Lebanon, the delegation met with the Ministers of Economy and Trade, Finance, Justice, and Health to discuss the roles of each ministry in combating violations of intellectual property rights and areas for cooperation between the U.S. and Lebanon in this area. The delegation also held working sessions with members of the AmCham (including representatives from the Information and Communications Technology (ICT) sector), Judges, Brand Protection Group, PhRMA and the head of the Cyber Crime and Intellectual Property (IP) Bureau in the Internal Security Forces.

As a result of this visit, described in greater detail below, the Project anticipates that it will be able to develop a more robust training plan for MOET and other stakeholders (Milestone B) that could be undertaken in Year Two, leveraging the resources of other donor programs (Milestone C). Leveraging the insights gained during the past year to refine the projects approach to this activity will be a primary focus for the Project's engagement with USAID in preparation for Year Two activities and milestones.

The Project's COP attended all the delegation's open working group sessions with the exception of the meeting with the Brand Protection Group and the meeting with the IP Bureau of the Internal Security Forces. The Project provided USAID with a briefing on the major IPR issues at stake prior to the visit of the US delegation (Supplemental Materials, Annex 17, "Major IPR issues in Lebanon).

In all meetings, the IPR delegation focused on the importance of IPR Protection to the WTO accession process. The discussion with stakeholders focused on the following major IPR issues: Copyright Protection, Pharmaceutical issues (i.e., Protection of data exclusivity) and general IPR enforcement issues with a special focus on the role of the Judiciary.

Topics discussed between the delegation and various stakeholders are not new to the WTO Project. Since 2000, USAID and the Department of State have been providing technical assistance to MOET for Lebanon to join the WTO and the WTO Project Team provided assistance and advice to the GOL on how to best address the above mentioned IPR issues. The below table provides a summary of key discussion points between the delegation and GOL stakeholders for each issue and recommended next steps for Project technical assistance.

Table 1: Summary of IPR Delegation Key Points

Copyrights	
Summary	There is a need to amend a few provisions of the Copyright Law of Lebanon to bring it into full conformity with TRIPS and with the WIPO Copyright Treaty (WET) and WIPO Performances and Phonograms Treaty (WEPT). These two treaties have been recently approved by the Lebanese Parliament. Therefore, the legislation now needs to be updated.
Project	The need to bring the Copyright Law of Lebanon into full conformity with TRIPS
Implications/Next Steps	and with the WIPO Copyright Treaty (WET) and WIPO Performances and Phonograms Treaty (WEPT) is well understood by the WTO Project and an activity is underway to address the necessary changes. The IPR delegation was aware that MOET had requested the Project to address this topic. The Project has identified two experts to provide language for specific amendments (in both English and Arabic) to the Copyright Law of Lebanon. The two experts are Mr. Walid Nasser from Lebanon and Mr. Michael Schlesinger from the United States. Both are aware of the issues involved. In addition to providing model text for the amendment, the experts will also provide a white paper explaining
	the rationale of the suggested amendments. Both Experts have been approved by USAID and started their assignments. A first draft will be delivered by the
Dhama a sa	end of November 2010 for discussion with MOET.
Pharmaceutical Issu	
Summary	MOET acknowledged that there is a problem with respect to the pharmaceutical industry's intellectual property rights protection in Lebanon (mainly the inadequate protection of data). This issue could affect WTO accession if not solved by the GOL. The pharmaceutical issue involves both the Ministry of Health and MOET.
	According to Ms Karin Ferreter, a member of the IP delegation and USTR representative, both the Ministers of Health and of Economy and Trade agreed to adopt the US interpretation of the term "undisclosed data" that figures in Article 47 of the Lebanese Law. If the Ministers follow through on their commitment, this will lead to an acceptable data protection and will prevent copies of drugs from entering the market based on data generated by the originator companies. There were, however, no clear timelines or mechanisms for the adoption of this interpretation.
Project Implications/Next Steps	This issue could affect WTO accession if not resolved by the GOL. Many solutions are possible, including but not limited to, providing a favourable interpretation of the term "undisclosed data" that figures in article 47 of the Patent Law or amending the existing Article 47 of the Patent Law of Lebanon. ³
	The IPR delegation reported a positive attitude from the Minister of Health, including his willingness to adopt the US interpretation of the term "undisclosed data" mentioned in article 47 of the Patent law.
	The COP followed up on this matter and met with Samir Mansur, the regional representative of PhRMa for Africa and the Middle East, Jacob Haddad, the Public Affairs Director for the Middle East for Merck Sharp & Dome (MSD), and Rouba Chalabi, a government relations official at Johnson and Johnson. Each expressed skepticism as to the commitment of the Government to move forward on this issue, but have collectively decided to send a letter to the US

³ The WTO Project in a previous phase (in 2003) had already provided the MOET with a study on data protection. The Title of the Study is: "The Protection of Test and Other Data Required by Article 39.3 of the TRIPS Agreement by G. Lee Skillington & Eric M. Solovy" BOOZ ALLEN HAMILTON

Ambassador explaining the industry's interpretation of Article 47 and asking the Embassy to confirm the above interpretation with the relevant Lebanese ministries.

The Project will follow up on this matter and continue to provide assistance whenever needed to help move this process forward. There are many legal ways for the Government of Lebanon to adopt such an interpretation, including but not limited to, adopting implementing regulations to Article 47, an area where the Project is well positioned to provide technical assistance.

Enforcement issues

Summary

<u>Enforcement at the Customs Level:</u> The discussions highlighted the major role Customs must play in IP protection. It seems that a very large proportion of infringing products are manufactured outside of Lebanon and shipped into the country through both legal and illegal routes. Recommendations were made to enhance border enforcement of IP.

Enforcement within the Country through the Special Police Bureau and the Cyber Crime and Intellectual Property Rights Bureau: Although efforts have been made by the GOL to strengthen the enforcement process for IP, greater efforts need to be made to fully implement current laws and regulations. The Special Police Bureau and the Cyber Crime and Intellectual Property Rights Bureau (CCIPRB) Unit continues to actively run raids against piracy targets on request, including end-user software piracy. However, the resources of the IP Bureau are very limited (The CCIPRB Unit counts only 16 individuals to serve the whole country). This is an area that needs significant work and better developed infrastructure.

Enforcement through the Judiciary: The need for continuous training for judges was the main topic of discussion. However, the frequent rotation of judges was also listed as a contributing problem when it comes to building expertise since it prevents judges from building a solid knowledge in IPR. However, it seems that the Minister of Justice was supportive of establishing specialized IP courts to help solving the expertise problem. For their part, the judges that met with the IPR delegation complained about the lack of independent experts in IPR cases and namely in Cybercrime. Although courts have the possibility to call on specialized experts to provide technical expertise in IPR cases, judges cannot find such qualified expertise within the country. The judges asked explicitly for sharing practical experience with other judges rather than being lectured on IPR theory. Judges believe that the solution to IPR infringements lays in adequate border control. In addition to judges training, this means that the Customs authorities should be further trained to prevent the infractions.

Project Implications/Next Steps

<u>Enforcement at the Customs Level:</u> The major role of Customs in IPR Protection at the border was pointed out by the participants. Training Customs Authorities on border measures to protect IPR is certainly an area of technical assistance that the Project can investigate with the Ministry of Finance.

<u>Enforcement within the Country through the Special Police Bureau and the Cyber Crime and Intellectual Property Rights Bureau:</u> This is an area that needs significant work and more developed infrastructure that goes beyond the fiscal and technical scope of this Project. Other sources of technical assistance within the USG can be investigated by the GOL.

	LEBANON'S ACCESSION TO THE				
	Enforcement through the Judiciary: The courts in Lebanon remain a weak link				
	in the enforcement chain. Prosecutors are inactive, courts are slow and the				
	current judgments /penalties do not serve as deterrents. Very few judges are				
	aware of, understand the complexity, or are sympathetic with the IP laws.				
	Continuous and advanced training for judges is required. The Project has in its				
	Work Plan activities that will provide the Lebanese judges with exposure to				
	other US judges dealing with IP cases in order to share experience and				
	exchange knowledge on the management of those cases. The WTO Project				
	has previously recommended working with the Ministry of Justice on either				
	establishing a specialized IP courts or updating the rotation system of judges				
	with a view to optimizing the gained knowledge and experience. In addition,				
	the Project has previously recommended introducing IPR and general WTO				
	principles as mandatory courses in law schools and more importantly in the				
	curricula of the training institute for judges.				
<u>Awareness Campaig</u>	<u>ıns</u>				
Summary	It appears from the discussions of the IPR delegation that there is a need for a				
	national IPR campaign. All the Ministers who met with the delegation agreed				
	that such campaign would greatly benefit the Lebanese economy. Members of				
	the IPR delegation briefed the audience about possible technical assistance				
	and awareness program that could be utilized by Lebanese stakeholders.				
Project	Raising awareness around IPR is an integral part of the Project's Work Plan.				
Implications/Next	However, after the visit of the delegation and the interest of the ministries, it				
Steps	was recommended to work with the GOL on drafting a comprehensive national				
	strategy for IPR that would include all relevant ministries namely the MOET,				
	the Ministry of Health, the Ministry of Justice, the Ministry of Education, the				
	Ministry of Culture, and others.				

IPR protection and enforcement is a highly politicized topic that requires political will on the part of Government of Lebanon stakeholders more than anything else. The Project has in the past, and will continue to, propose solutions for the IP issues at stake. However, progress can only be made if the GOL is willing to move forward on implementing the recommendations made.

The Project would involve all stakeholders, governmental and private, to develop this strategy. In particular, the project would target the private sector to determine the resources and skills that they could leverage to support this

The IPR delegation reported a positive attitude on the part of several GOL ministries regarding IPR enforcement. However, it is important to note that it is our experience that GOL officials have not consistently followed through on commitments made to visiting delegations. We believe that technical assistance should be utilized wisely and step by step according to the progress that is seen on the ground from our counterparts. Although there has not been much follow-through in the past, the Project will work to harness the energy of the recent delegation to forge progress into this issue which is key to Lebanon's accession to the WTO.

Based on the recommendations of the IPR delegation, the Project followed up with the Pharmaceutical Research Association of Lebanon which drafted a legal interpretation of Article 47 of the Patent Law⁴ that pertains to the protection of confidential information and sent it to the US Embassy in Beirut requesting that the Embassy forward it to the relevant Lebanese ministries for consideration and adoption. This article is central to data protection and marketing related to innovative products in the absence of patent registration in Lebanon. The Project is closely following developments on this topic through continued collaboration with stakeholders and will offer assistance as appropriate and consistent with Project objectives.

activity.

⁴ A copy of this interpretation was provided to USAID at an earlier stage. **BOOZ ALLEN HAMILTON**

On July 23, 2010, the US Delegation and U.S. Embassy Beirut organized a seminar on IPR. The Project's COP along with Senior Trade Advisor Dr. Roshdy Abdel Kader and Staff Lawyer Roudaina Yared attended the seminar. The conference was opened by the then US Ambassador to Lebanon Michele Sison and the President of the American Lebanese Chamber of Commerce Salim Zeenni. Both noted that progress had recently been made by Lebanon toward better protection of IP rights, but added that work must still be done regarding both legislation and enforcement. A briefing on the content of the seminar was provided to USAID in the Q3FY10 Report.

E. Task 4 Activities – Building Public Support for WTO Accession

The GOL has accomplished significant progress toward WTO membership, yet there is an immediate need to continue this advancement by building public support through ongoing education and engagement for some of the most difficult areas that remain. This task is ongoing and crosscutting and will directly impact the effective implementation and success of the other tasks involved. Misperceptions, inertia, weak transmission channels, and entrenched special interests can combine to diminish local ownership. Policy reform, particularly reform with economy-wide implications, is most likely to succeed when rooted in a comprehensive and interactive plan for stakeholder engagement and communication.

E1. Activity 14: Enhancement to MOET's Website

The targeted placement of key messages at locations ranging from trade fairs to ads in public places is needed to make clear the advantages of WTO membership. MOET's website can be an effective way to begin ramping up stakeholder engagement through the dissemination of information related to accession such as laws passed, upcoming events, and sectoral analysis and information on how to access international markets for Lebanese goods and services

This milestone has not been met due to MOET's lack of interest in leveraging Project resources to support enhancement of its website. Absent MOET support, the Project is not in a position to determine the content that the MOET chooses to post. As a result of this position, and consistent with the intent of this task to build public understanding, the Project has undertaken to launch its own website and include MOET's website as a link.

To this end, and after extensive review of possible development partners, the Project selected the Dow Group to begin developing the Project's website. The Project's website will feature the following sections: (a) Project overview, (b) User Interface, (c) Home page, (d) About us/Profile, (e) Activities, (f) News Section, (g) Calendar, (h) E-gallery, (i) Achievements, (g) Generalities: Download section, Newsletter Registration, links to useful sites, learning center, etc, and (h) Contact us page.

On September 23, 2010, the Project's Communication Officer Pascale Aramouny met with Mr. Charbel Daou of the Dow Group to review site content. Ms. Aramouny is currently preparing the first draft materials to be published and the Project anticipates that the site will be active during Q1FY11.

E2. Activity 15: Improving Stakeholder Engagement

In order to strategically tailor outreach activities to specific audiences, it's vital to maintain a current and holistic understanding of the stakeholder landscape, including positions, interests, and misperceptions.

Milestone A: Review December 2008 study of stakeholders to identify changes

In line with the objectives of Task 4, the Project identified STTA Communications expert Ms. Mira Ibrisimovic to review the referenced document and develop a revised, integrated strategic communications plan for the Project that can guide and inform activities and milestones. Ms. Ibrisimovic travelled to Beirut May 10 - 14, 2010 and conducted a series of meetings with key stakeholders. As a final deliverable, submitted to USAID during Q4 FY2010, Ms. Ibrisimovic produced a high-level Communications Strategy, which articulated events and activities that can be undertaken pursuant to on-going technical assistance for WTO accession in Lebanon. In addition, the strategic communications component provides guidance on how to assess, evaluate, and refine approaches for communicating to and engaging stakeholders.

Milestone B: Conduct open source analysis to update understanding of stakeholders positions

Project team member Pascale Aramouny regularly reviews media websites and other related internet content for insights as to how issues of economic reform and the political environment might impact the activities and objectives of the Project. She prepares summary reports of relevant media reports and shares her insights with team members to help update and shape the identification of stakeholders with whom the Project may wish to engage in the future.

Milestone C: Identify Priority Stakeholders for engagement (May include strong supporters and strong opponents. Leverage other Project's outputs to develop targeted communications plan)

This milestone was met through completion of Milestone A above, but remains an ongoing area of focus for the Project.

Milestone D: Develop Press releases about accession process to keep media and public opinion aware of the progress towards accession and its potential positive impact.

The Project has not so far issued any press releases about the accession process of Lebanon due largely to the slow pace of formal GOL efforts. However, and in order to keep the public opinion aware of this process, the Project's Senior Trade Advisor Dr. Roshdy Abdel Kader drafted an article on "Boosting World Economic Recovery through Trade - How Can Lebanon Reap the Benefits?" to be published in a future edition of the American Chamber of Commerce newsletter. The draft article was provided to USAID for review and approval during the Q3FY10, based upon subsequent discussion with the COTR it was determined to not proceed with publication at the present time.

Milestone E: Host working groups with stakeholders to engage them on key issues

This is a Year 2 milestone that has been initiated ahead of schedule. In large part, the Project's engagement on this milestone has been driven by the absence of consistent momentum from within the GOL, and the existence of strong interest from private sector stakeholders. Specifically, the Project meets regularly with Mr. Selim Zeeni, the President of the American Chamber of Commerce (AmCham) to brief him on WTO related issues. The Project views the AmCham and its President, as strong supporters of the WTO Accession process and as potential advocates for the effort with a broader community of stakeholders. Through collaboration between the Project and the AmCham, Mr. Zeenni has been positioned with up-to-date information that he can use in TV statements that are highly supportive of Lebanon's accession efforts.

The Project has also reached out to the Chambers of Commerce. On August 9, 2010, the Project approached the Director General of the Chambers of Commerce to discuss opportunities for cooperation between the Chamber and the Project. Following this meeting, the Project Team was requested to meet with the Committee for Trade Agreements (CTA) of the Federation of the Chambers of Commerce, Industry and Agriculture in Lebanon (CCIABML). The meeting took place on August 16, 2010, at the premises of CCIABML and focused on the impact of WTO accession on trade and development, the status of Lebanon's Accession to the WTO and the role of the private sector in this process. The meeting was attended by the following Members of CTA:

- Mr. Naji Mouzannar, Chairman of the CTA, Board Member at the Chamber of Commerce, Industry and Agriculture in Beirut and Mount Lebanon (CCIABML)
- Mr. Ghassan Boulbol, member of the Committee, Board Member of the Chamber of Commerce, Industry and Agriculture in Beirut and Mount Lebanon (CCIABML)
- Mr. Henry Hafez, member of the Committee, (Board Member of the Chamber of Commerce, Industry and Agriculture in Tripoli and North Lebanon (CCIAT)
- Mr. Arslan Sinno, President of The Syndicate of Agro-food Traders in Lebanon
- Mr. Atef Idriss, President of MEFOSA
- Mr. Saadeddine Oueini, Director General, Association of Lebanese Industrialists
- Mr. Antoine Richa, Advisor to the Association of Lebanese Industrialists
- Mr. Rabih Sabra, Director General, CCIABML
- Ms. Nassima Ghanem, Coordinator of the CTA

• Ms. Irene Ballouz, Deputy Director FCCIAL

The presentation was led by the Project COP Ms. Zouha Sakr and Dr. Roshdy AbdelKader, Senior Trade Advisor. The presentation covered the impact of WTO Accession on trade and development, an overview of Lebanon's accession to the WTO, and the increasing need for private sector participation in the economic reform process to enhance the international competitiveness of Lebanese business sectors.

The Chairman and all the members of the CCIB Committee on Trade Agreements demonstrated a good understanding of the increasing role of the WTO in international trade expansion, stability and development. Participants showed high interest in enhancing public private partnership in shaping trade policies including WTO accession commitments in order to improve the international competitiveness of Lebanese productive sectors. Participants also expressed interest in accessing new markets as a result of WTO accession. Participants requested that the Government provide them with a minimum of support to face the challenges of WTO accession. Below is a summary of the requests made by the participants:

- Sufficient guarantees for domestic industries from the surge of foreign goods and services, as a result of accession.
- Introduction of subsidies or production support mechanisms that are permissible under the WTO, of the same types and levels maintained by other WTO members (e.g., Turkey).
- Government support for industrial modernization i.e. know-how and innovative technologies.
- Enhancement of supply chain logistics and modernization of trade facilitation methods and techniques.
- Economic impact studies, benefits and threats for specific economic sectors and business activities.

Additionally, the participants requested the Project to provide the business sector with international expertise on private public partnership namely, on cooperation between the private sector and the Government on economic strategy and trade policy formulation. The participants also discussed the possibility of establishing services coalitions, which has proved effective in other countries, and explored the possibility of attending the next Global Services Summit which took place on September 22, 2010 in Washington, DC. The participants also stressed the need to activate the National Committee on WTO accession and the National Committee on Trade Facilitation. The Project has conveyed these sentiments to MOET counterparts as they are directly supportive of Task 1, Activity 2, "Support of GOL in Working Party Meetings", and related milestones.

On September 27, 2010, Mr. Atef Idriss, owner of an agribusiness, member of the Chambers of Commerce of Beirut and Mount Lebanon, and President of MEFOSA SARL) approached the Project's COP to discuss the draft food safety law and its compliance with WTO requirements. He requested a meeting with the Project and Ms. Nassima Ghanem, head of the Library and Documentation Department, Coordinator of the Committee for Trade Agreements, and Export Market Information Service Analyst at the Chamber of Commerce, Industry and Agriculture of Beirut and Mount Lebanon (CCIABML). The meeting is anticipated for Q1FY11.

As we look ahead to Year 2, the Project will build upon the connections it has made to date and identify specific topics of concern around which the private sector can gather to solidify their concerns and develop an agenda from which to engage the GOL.

Milestone F: Develop summary reports on working group findings to provide GOL recommendations for ways to more effectively communicate key messages

This is a Year 2 Milestone that has been initiated ahead of schedule. Minutes of the meetings described in Milestone E are included in this report (Annexes 17, "Major IPR Issues in Lebanon" and 18, "Meeting Minutes, Chambers of Commerce, August 16, 2010"). The Project will use these documents as a baseline for possible recommendations to the GOL, but will hold off on submitting finalized recommendations until additional meetings have been held and there is an opportunity to identify consistent themes and messages.

Dashboard

Ascession Completed passage and implementation of key legal and a regulatory reforms that will possibly affect progress toward WTO accession in Lebanon. See Appendix A. PR. 1. Laws, regulations, procedures relevant be conomic growth adopted (IR 2.2) With presentation in the preparations for next Working Party meeting shell be tade reform being implemented with schinical assistance from USAD WRA 2: Increased Stakeholder government increased (IR 2.2.1) PIR 2: Advocacy of the private sector, civil society, and local government increased (IR 2.2.1) PIR 2: Advocacy of the private sector, civil society, and local government increased (IR 2.2.1) PIR 3: Laws regulations, procedures policy reforms, regulations, procedures assistance. With presentation has beguin with USG assistance. With presentation has beguin with USG assistance. With presentation has beguin with USG assistance. Purietare reliable that in preparations for next Working Party meeting sheld be discussed from USAD. With presentation has beguin with USG assistance. Purietare reliable procedures assistance. Presentage of diversity of stakeholder procedures procedures assistance. PIR 2: Advocacy of the private sector regulations, procedures powerment increased (IR 2.2.1) PIR 2: Advocacy of the private sector for public stakeholder procedures produced for the consideration of key stakeholder for public stakeholder procedures assistance. Preser releases on WTO related legislation pending Party meetings and and subtence on the Working Party meeting and and automatical through the design and presented for public stakeholder precisions. Assistance WTO unit in organizing a meeting to rite with Organization plane of the discussion organization plane of the discussion organization plane organization	Project Results	Indicator	Definition and Rationale	Disaggregation	Data Source and Collection Frequency	Baseline (if applicable)	Target	1st Year Key Project Milestones**
PR 1.1 Lans, appliation. Processor of the processor of th	Project Objective: Improved trad	e and business environment that assits in the	stimulation of economic growth					
Fig. 2 Laws, regulations, procedures relevant converse, growth acception, procedures relevant converse, growth acception, procedures, personal procedures, policy reforms, regulations, procedures, pr	KRA 1: Requirements for WTO Accession Completed	Progress on the legal/regulatory index	The index includes milestones of progress toward passage and implementation of key legal and regulatory reforms that will positively affect progress toward WTO accession in Lebanon. See Appendix A.		Collectoin: Semi-Annual			Status of current legislation and outstanding legislative reform benchmarked
FIRS.1 Increased Stateholder growth accepted (R.2.2) Where of ploty reforms, regulations, procedures growth accepted (R.2.2) First Lanes, regulations, procedures accepted (R.2.2) First Lanes, regulat							0	WTO related legislation drafted
PRI Lans regulation, procedures, recording records according growth accepted (R 2 2) and acce								
PRE Class regulations, procedures review the composition of procedures provided in accordance procedures provided in accordance procedures provided in accordance provided in accordanc								Topic-specific briefings given to key Parliamentarians
procedures relevant to economic growth adoption (19.2.2) Section 2. Increased Stateholder Support for WTO Accession 19.2.2 Increased Stateholder Support for WTO Accession 29.2.2 Increased Stateholder State 29.2.2 Increased Stateholder Stateholder State 29.2.2 Increased Stateholder								Assistance WTO unit in preparations for next Working Party meeting
Pire 2 Advocacy of the private accordance of accordance of accordance of the private accordance of accordance of the private accordance of the private of the private of accordance of the private of accordance of the private of the private of accordance of the private of accordance of the private of the privat	procedures relevant to economic	for which implementation has begun with USG assistance	related to trade reform being implemented with p		(official gazette) and Key Informant Interviews (individuals/firms	N/A		
RRA2. Increased Stakeholder Support for WTO Accession PIR2. Advocacy of the urinous accessed from the Confidence of Confidence					field)			Meetings with private sector representatives held to discuss concerns
Support for WTO Accession In policy dialogue participating in policy dialogue participation in policy dia		Plurilateral/bilateral negotiations conducted						
PR 2: Advocacy of the private sector, only accely, and local government increased (R 2.2.1) Number of policy reprime, regulations, procedures drached and presented by public satisfactions or sector, only accely, and local government increased (R 2.2.1) Number of policy reprime, regulations, procedures drached and presented by public satisfactions or sector, of the policy satisfaction as a resear of UTO disabstance or Construction as a resear of UTO disabstance as researed utority Point testified which the provise disabstance as researed utority Point testified under the research of the provise disabstance as research under the research of the provise disabstance as research under the research of the provise disabstance as research under the research of the provise disabstance as research under the research of the provise disabstance as research under the research of the provise disabstance as research under the research of the provise disabstance as research under the research of the provise disabstance as research under	KRA 2: Increased Stakeholder Support for WTO Accession					N/A		· ·
Number of policy reforms, regulations, procedures actor, vivi society, and local government increased (R 2.2.1) RRA 3: Increased Capacity of Cut to meto big signoses WTO Microbian as a result of USG assistance RRA 3: Increased Capacity of Press releases on WTO related progress developed for release by MCET was affected, gender on which step in the Collection. Quarterly value chain was affected, gender on which step in the Collection. Quarterly value chain was affected, gender on which step in the Collection. Quarterly assistanced in the Collection. Quarterly in the Collection. Qua								identified
sector, vis society, and local government increased (IR 2.2.1) consultation as a result of USG assistance of public/selectorise for public selectorise for publi								Targeted communications plan developed
RRA 5: Increased Capacity of GOL to meet obligations of WTO (Pass proported raining events held that provided by improving he tade environment with reading of the proving he tade environment and implementation of the proving he tade environment supported the proving he tade environment and investment capacity building diagnosts conducted. Diagnosts should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. N/A Organizational plan for the Enquiry Point VIII and the Enquiry	sector, civil society, and local	drafted and presented for public/stakeholder	models produced for the consideration of key stakeholders for possible implementation by the	decision making, which step in the		N/A		Priority stakeholders for engagement identified
## FFramework Indicabrs ## GOL to meet obligations of WTO Membership ## Training on to pipics related to improving the trade environment training on topics related to improving the trade environment training on topics related to improving the trade environment training on topics related to improving the trade environment ## Training workshops for Enquiry Point staff held ## Information disseminated to the private sector use of Enquiry Point staff held ## Information disseminated to the private sector use of Enquiry Point staff held ## Training workshops for Enquiry Point staff held ## Training morkshops for Enquiry Point staff								Press releases on WTO related progress developed for release by MOET
PIR 3: Improved government capacity building trainings* Number of participants in USG supported trade and investment capacity building trainings* Number of participants in USG supported trade and investment capacity building trainings* Number of participants in USG supported trade and investment capacity building trainings* Number of participants in USG supported trade and investment capacity building trainings* Source: Training records Collecton: Quarterly Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined as analysis on a participant as analysis on a participant as analysis on a participant and investment capacity building diagnostics conducted by US assistance. *F Framework Indicabrs* Number of trade and investment capacity building diagnostics of a well-unctioning WTO unit drafted environment supported by US assistance.	KRA 3: Increased Capacity of GOL to meet obligationsof WTO		training on topics related to improving the trade	Training Topis		N/A		Organizational plan for the Enquiry Point/Notification Authority developed
PIR 3: Improved government capability to perform and implement policy analysis (IR 2.2.2) Number of participants in USG supported trade and investment capacity building trainings* Number of trade and investment capacity building trainings* Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. TBT Handbook developed Organizational policy and procedures for Institutional unit for investigation of Trade Remedy casse designed TRU and Investigative Authority staff members trained Capacity for support of TRIPS negotations and implementation assessed In Participants in USG supported trade and investment capacity building Trade facilitation and customs, including procedures at ports assessed N/A Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. TF Framework Indicators	Membership		environment				0	Training workshops for Enquiry Point staff held
PIR 3: Improved government capability to perform and implement policy analysis (IR 2.2.2) Number of participants in USG supported trade and investment capacity building trainings* Number of participants trained on trade and investment capacity building. Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. Pramework Indicabrs Number of participants in USG supported trade and investment capacity building. Number of participants trained on trade and investment capacity building. Source: Training records Collection: Quarterly Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. NIA Organizational policy and procedures for Institutional unit for investigation of Trade Remedy cases designed Trade Remedy cases designed TRU and investigation of Diagnostics for Institutional unit for investigation of Trade Remedy cases designed TRU and investigation and customs, including procedures at ports assessed NIA Organizational policy and procedures for Institutional unit for investigation of Trade Remedy cases designed TRU and investigation of TRUPS negotiations and implementation assessed In Particular trade and Investigation of Trade Remedy cases designed Trade Remedy cases designed TRU and investigation of TRUPS negotiations and implementation assessed In Particular trade and investigation of Trade Remedy cases designed Trade							0	Information disseminated to the private sector use of Enquiry Point
investment capacity building trainings* capacity building. Collection: Quarterty Trade Remedy cases designed TRU and Investigative Authority staff members trained Capacity for support of TRIPS negotiations and implementation assessed IP training plan for MOET and other key stakeholders drafted Trade facilitation and customs, including procedures at ports assessed Number of trade and investment capacity building diagnostics conducted. Viagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. Trade facilitation and customs, including procedures at ports assessed N/A Detailed analysis of the impact reform would have on key sectors drafted gender Report on international best practices of a well-functioning WTO unit drafted and investment environment supported by US assistance.								TBT Handbook developed
2.2.2) Capacity for support of TRIPS negotations and implementation assessed IP training plan for MOET and other key stakeholders drafted Trade facilitation and customs, including procedures at ports assessed Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. Source: Project records Collection: Quarterly Personmendations made for revitalizing the National Committee to incorporate private sector input into the policy process				t sector, gender		N/A	•	Trade Remedy cases designed
Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics conducted Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. *F Framework Indicators Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. N/A Detailed analysis of the impact reform would have on key sectors drafted. Report on international best practices of a well-functioning WTO unit drafted. Recommendations made for revitalizing the National Committee to incorporate private sector input into the policy process.								TRU and Investigative Authority staff members trained
Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics conducted Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. *F Framework Indicators Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined as analysis on a particular trade and investment environment supported by US assistance. N/A Detailed analysis of the impact reform would have on key sectors drafted Report on international best practices of a well-functioning WTO unit drafted private sector input into the policy process								
Number of trade and investment capacity building diagnostics conducted* Number of trade and investment capacity building diagnostics conducted. Diagnostics should be broadly defined an analysis on a particular trade and investment issue or the trade and investment issue or the trade and investment supported by US assistance. N/A Detailed analysis of the impact reform would have on key sectors drafted Report on international best practices of a well-functioning WTO unit drafted Recommendations made for revitalizing the National Committee to incorporate private sector input into the policy process								-
defined as analysis on a particular trade and investment issue or the trade and investment tenvironment supported by US assistance. Report on international best practices of a well-functioning WTO unit drafted environment supported by US assistance. *F Framework Indicators		diagnostics conducted*	diagnostics conducted. Diagnostics should be broadly defined as analysis on a particular trade and investment issue or the trade and investment			N/A		
environment supported by US assistance. Recommendations made for revitalizing the National Committee to incorporate private sector input into the policy process *F Framework Indicators							0	, , , , , , , , , , , , , , , , , , , ,
								Rrecommendations made for revitalizing the National Committee to incorporate
	*F.F.							

Booz Allen Hamilton 32

Annexes (On attached CD)

Annex 1: Approved Work Plan

Annex 2: Updated First Year Work Plan, August 25, 2010

Annex 3: Updated Project PMP, August 27, 2010

Annex 4: List of Key Meetings, Q3 and Q4FY10

Annex 5: Forecast of STTA for Q1FY11

Annex 6: Updated Legal Tracker

Annex 7: Briefing Paper: Prioritized List Related to Lebanon's Parliament

Annex 8: Briefing Paper: Insights from Members of Parliament on Parliamentary Deadlock

Annex 9: Briefing Paper: Summary of Lebanon's Key Efforts in its Accession Process

Annex 10: Briefing Paper: Strategy to Enable Sectors of the Lebanese Economy to Benefit from the WTO

Annex 11: Briefing Paper: WCT and WPT Agreements

Annex 12: Briefing Paper: Bilateral Requests

Annex 13: Briefing Paper: How the Lebanon WTO Accession Project Can Promote Security and Peace

Annex 14: Briefing Paper: Status of Draft International Trade and Licensing Law

Annex 15: Briefing Paper: Pharmaceutical Issues in Lebanon

Annex 16: Briefing Paper: Major IPR Issues in Lebanon

Annex 17: Briefing Paper: Meeting Minutes, Chambers of Commerce on August 16, 2010